

JPMorgan Cazenove (1987) Pension Scheme (the 'Scheme')

5 April 2025 Implementation
Statement

September 2025

1. Introduction

The Trustee is required to make publicly available online a statement (“the Implementation Statement”) covering the JPMorgan Cazenove (1987) Pension Scheme (the “Scheme”) in relation to the Scheme’s Statement of Investment Principles (the “SIP”).

Over the year to 5 April 2025, the SIP was reviewed and it was agreed that no changes were required.

A copy of the current SIP signed and dated July 2023 can be found here:

<https://pensioninformation.aon.com/jpmorgancazenove>

This Implementation Statement covers the Scheme Year from 6 April 2024 to 5 April 2025 (the “Scheme Year”). It sets out:

- How the Trustee’s policies on exercising voting rights and engagement have been followed over the Scheme Year; and
- The voting by or on behalf of the Trustee during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year.

New guidance (“the Guidance”) from the Department for Work and Pensions (“DWP”) has been issued with a series of statutory & non-statutory guidance points. They aim to encourage the Trustee of the Scheme to properly exercise their stewardship policy including both voting and engagement which is documented in the Scheme’s SIP. This Implementation Statement has been prepared to provide details on how the Trustee of the Scheme, with the help of Schroders Solutions (“the Scheme’s Investment Adviser”), has complied with the new statutory guidance set by DWP.

A copy of this Implementation Statement is available on the following website:

<https://pensioninformation.aon.com/jpmorgancazenove>

2. How the Trustee’s policies on exercising voting rights and engagements have been followed over the Scheme Year

The Scheme’s SIP sets out the Trustee’s policies on stewardship which includes both voting and engagement. The Scheme invests in assets with voting rights attached. However, these investments are generally made via pooled investment funds with the Investment Managers, where the Scheme’s investments are pooled with other investors. Direct control of the process of engaging with the companies that issue the underlying securities, whether for corporate governance purposes or other financially material considerations, is generally delegated to those underlying Investment Managers.

In line with DWP Guidance, the Trustee of the Scheme has previously received training on the Investment Adviser’s Engagement Blueprint which sets out the six engagement themes the Scheme’s Investment Adviser believes to be most financially material. The Trustee continues to align its stewardship priorities with the Investment Adviser’s Engagement Blueprint (detailed below), given the Trustee believes that these themes are issues material to the long-term value of the investments. These issues also reflect expectations and trends across a range of stakeholders, and by strengthening relationships with these stakeholders, business models become more sustainable, which ultimately should enhance the value added to the Scheme’s investment, and hence benefit the Scheme’s members and beneficiaries. Therefore, the Trustee believes that companies that address those issues, when they are material and relevant, will drive improved financial performance for the Scheme.

The Trustee acknowledges that the Trustee board owns and is responsible for setting its voting and engagement policies. However, due to the nature of the investment, voting and engagement decisions were generally carried out by the Investment Managers according to their stewardship policies. The Trustee has, however, communicated to its Investment Managers the Scheme’s stewardship policy including engagement priorities and routinely monitors their voting and engagement activity.

The Trustee continues to review the voting and engagement records of its sole Investment Manager for equities, corporate bonds and other return-seeking assets, Legal and General Investment Manager (“LGIM”), annually. During the 2024/2025 Scheme year, this was completed at the September 2024 Trustee meeting, where LGIM were invited to present by the Trustee. When LGIM came to the Trustee meeting, this gave the Trustee opportunity to consider how LGIM have approached ESG and stewardship on behalf of the Trustee in line with their expectations; and if not, what action the Trustee might wish to take. As part of the review, The Trustee concluded that it continued to be satisfied with LGIM’s voting and engagement behaviour and has therefore not sought to set its own voting policy. Although the Trustee does not intend to change its position at this time, it will continue to monitor LGIM’s voting and engagement records on an ongoing basis. The Trustee agreed to review the voting and engagement records of LGIM again during the 2025/26 Scheme Year.

During the previous Scheme year, the Trustee received training on the Investment Adviser’s Engagement Blueprint which sets out the six engagement themes that the Investment Adviser, Schroders, as an organisation, focuses their engagement effort on. These six themes are unchanged, and as such the Trustee is satisfied to continue to align their engagement priorities to these six themes which are set out below:

- **Climate:** Climate risk and oversight, Climate alignment including decarbonising and minimising emissions, climate adaption and carbon capture and removal
- **Natural Capital and Biodiversity:** Nature-related risk and management, circular economy, pollution and waste, sustainable food and water, deforestation
- **Human Rights:** Overarching approach to human rights, work and communities, customers and consumers
- **Human Capital Management:** Corporate culture and oversight, investment in the workforce, engagement and representation, health, safety and wellbeing

- **Diversity and Inclusion:** Board diversity and inclusion, executive & workforce diversity and inclusion
- **Corporate Governance:** Board and management, executive remuneration, relationship with shareholders

The Trustee believes these engagement themes are issues which are considered to be material to the long-term value of the investments and hence engagement in these areas is in the members' best interests. The Trustee has set out in the appendix a set of engagement examples provided by LGIM which are in line with the Trustee's engagement priorities over the Scheme Year.

During the Scheme year the Trustee has carried out the following activities in relation to these policies:

- On behalf of the Trustee, monitoring of the Investment Managers' ESG and stewardship policies was carried out through regular investment and operational due diligence reviews and meetings by the Trustee's Investment Adviser with any important updates communicated to the Trustee over the Scheme Year.
- The Trustee, with the help of the Investment Adviser, reviewed the portfolio's ESG metrics and considered where it could add value as stewards.
- The Trustee with the help of its Investment Adviser, monitored the performance of the Investment Managers against their agreed performance objectives at each of the quarterly Trustee meetings during the Scheme Year.
- The Trustee reviewed the regulatory developments with regards to ESG and climate change disclosures and received relevant training.
- The Trustee has reviewed the voting and engagement activity carried out by its Investment Managers during the Scheme Year; a summary is provided in the next section.

In addition, the Trustee will discuss its engagement themes further with its Investment Adviser and seek to identify what themes are the most important to the Trustee such that it can focus its engagement activities with the Investment Managers going forward.

The Trustee has determined its engagement priorities, in addition, the Trustee believes prioritising those themes will improve the long-term value of the Scheme's investments. In addition to the other activities carried out during the Scheme Year and by preparing this Implementation Statement, the Trustee believes that it has acted in accordance with the SIP, in particular the Stewardship policy, over the Scheme Year.

3. Voting and Engagement Summary

Summary Voting Statistics

This statement includes information on the underlying Investment Managers investing in securities. Where proxy voting agents have been used, this has been included in the voting information. The statistics provided below by the Investment Manager detail the votes made by the Investment Manager on behalf of the Trustee over the 12 months to 31 March 2025 (the majority of the Scheme year).

The Trustee uses two underlying managers; however, the equity holdings are the only asset class with voting rights attached. The voting statistics are set out below for the only equity fund held on behalf of the Trustee that had voting rights during the period.

As at 5 April 2025 (the Scheme Year end), the Scheme held c. 10% of the Scheme's assets within Equity, all of which are held with one Investment Manager (LGIM). The table below and the voting and engagement summaries below include data on assets held by the Scheme for the majority of the Scheme Year.

Summary of voting activity – relevant mandates (31 March 2025)

	LGIM All World Equity Index Fund
Asset allocation as at 31.03.2025 (31.03.2024)*	10% (10.0%)
Voting Stats	
Total meetings eligible to vote	6,611
Total resolutions eligible to vote	63,689
% of resolutions did you vote on for which you were eligible?	99.8%
% did vote with management?	79.5%
% vote against management?	19.0%
% abstained	1.5%
% of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	10.4%

Source: All data in this section has been provided by the investment managers. Voting statistics provided on the Scheme's equity holdings in both the outright equity managers and the equity held within the Dynamic Asset Allocation managers. *Asset allocation shown in brackets is Scheme's strategic allocation as at the start of the Scheme Year.

Note:

- LGIM use Institutional Shareholder Services, "ISS", for proxy voting services.
- The voting statistics provided may slightly differ depending on the exact composition the Scheme holds.
- Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted different ways, or a vote of "Abstain" is also considered a vote against management.
- Holdings shown as at 31 March 2025.
- Voting data provided for funds held over the majority of the Scheme year (to 31 March 2025).

Most significant votes:

The following criteria must be met for a vote to be considered 'significant':

- Must be defined as significant by the Investment Adviser; and
- Must relate to the Trustee's stewardship priority themes

The Trustee has included in the appendix a set of engagement examples which are in line with the Trustee's engagement priorities over the Scheme Year.

Trustee's conclusions on voting and engagement

The Trustee has considered the voting behaviour along with engagement activity that took place on its behalf during the Scheme Year within the Growth portfolio and the Matching portfolio and is pleased to report that the Investment Managers have demonstrated high levels of voting activity, challenges to management and active engagement on a range of relevant topics.

Specifically, the Trustee noted that:

- LGIM demonstrated very high levels of voting rights being acted on, where voting is relevant. Where the voting was irrelevant, the Investment Manager showed they carried out a good level of engagement activities over the Scheme Year.
- Challenge to management was demonstrated through votes by the Investment Managers against management.
- LGIM demonstrated very high levels of voting rights being acted on, where voting is relevant. Where the voting was irrelevant, the Investment Manager showed they carried out a good level of engagement activities over the Scheme Year.
- General themes of the voting and engagement activity were in relation to environmental issues and climate strategy in particular. Executive pay, board diversity and improving social outcomes were the other main themes identified.
- LGIM have shown market leading capabilities in their ability to engage with underlying companies. They have significant in-house capacity and have in place a custom voting policy encompassing their own views rather than deferring decisions solely to their proxy adviser.
- LGIM's Investment Stewardship team makes voting decisions and LGIM do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, LGIM has put in place a custom voting policy with specific voting instructions.
- In relation to the liability hedging mandate with Schroders, the Trustee noted that the choice of counterparty (both in terms of the counterparties chosen to be part of the available roster and the choice of which counterparty of these to use when entering into derivative transactions) is driven by a number of factors including credit ratings which take into account ESG factors and ESG scores for counterparties are regularly monitored.

The Trustee is satisfied that the voting and engagement activities undertaken by the Investment Managers are in line with the engagement priorities the Trustee has determined and communicated to the Investment Managers during the Scheme Year.

Appendix 1 – Examples of most significant votes and engagement carried out by the Investment Manager

LGIM’s Investment Stewardship team uses Institutional Shareholder Services’ “ProxyExchange” electronic voting platform to electronically vote client’s shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with their position on ESG, they have put in place a custom voting policy with specific voting instructions.

LGIM 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.

Company name	BHP Group Ltd*
ISIN	AU000000BHP4
Market Cap	US\$135.3 billion (Source: ISS, 18 December 2024)
Sector	Basic materials: mining
Issue identified	The mining and diversified metals sector produces minerals that are essential to the energy transition. As such, we believe that long-term, responsible investors, such as LGIM, can support these companies as they decarbonise. Earlier this year, we published our updated assessment framework for mining companies’ climate transition plans .
Summary of the resolution	Resolution 13: Approve Climate Transition Action Plan AGM, 30 October 2024
How LGIM voted	In favour of Resolution 13 (in line with management recommendation)
Rationale for the vote decision	We have been engaging with BHP for a number of years on the topic of climate change and, most recently, on their Climate Action Transition Plan. We note that BHP has made significant strides in carrying out its core role in the transition in a sustainable manner and has demonstrated this through the substantial alignment of its Climate Transition Action Plan (CTAP) with our framework for assessing mining company transition plans. Therefore, LGIM voted in favour of Resolution 13.
Outcome	92.2% voted in favour of Resolution 13 Going forwards, we will assess the disclosure of progress on BHP’s plans for the development of a more targeted methane measurement, management and mitigation strategy, as well as the plans it is executing to support the decarbonisation of steelmaking. We will also continue to engage with BHP to ensure resilience whilst navigating the dynamic market for metallurgical coal.
Why is this vote ‘significant’?	The mining and diversified metals sector is an essential part of the energy transition. In order to support its transition plans, we want companies within the sector to meet our minimum expectations .

Company name	Westpac Banking Corp*
ISIN	AU000000WBC1
Market Cap	US\$71.1 billion (source: ISS, 19 December 2024)
Sector	Financial: banks
Issue identified	The specific issue here was gender diversity at board level. We believe a diverse mix of skills, experience and perspectives is essential for a company and its board to function and perform optimally. LGIM has long been an advocate of the importance of diversity on corporate boards, within both executive leadership teams and management teams, as well as across the wider workforce. We consider this issue is sector agnostic, in that it is financially material across all sectors.
Summary of the resolution	Resolution 5b – Elect Margaret Seale as Director AGM, 13 December 2024
How LGIM voted	For Resolution 5b (in line with management recommendation)
Rationale for the vote decision	Our diversity policy sets out our expectations regarding gender and ethnic diversity, and where we will apply vote sanctions against companies. A vote in favour was applied, despite the proportion of women on the Board having fallen below one-third of board members as at the 2024 AGM. However, support was warranted, given the Company exceeded its goal of 40% female directors by the 2024 year-end, with some recent board changes at the AGM throwing it out of kilter.
Outcome	94.2% voted in favour of Resolution 5b. We expect companies to increase female participation both on the board and in leadership positions over time and will monitor Westpac’s performance in this regard.
Why is this vote ‘significant’?	This vote is significant because it relates directly to one of our sub-themes (diversity), within our Investment Stewardship ‘People’ theme. It is also an example of where, after a manual review, we overrode our policy vote decision due to the reasons outlined in the rationale above.

Company name	Microsoft Corp*
ISIN	US5949181045
Market Cap	US\$3.26 trillion (source: ISS, 02 January 2025)
Sector	Information technology: software and services
Issue identified	We believe that the governance of risks and opportunities relating to the development and use of artificial intelligence ('AI') is financially material for companies. AI should drive long-term innovation, productivity and value creation. To secure these gains, we believe investors must engage with companies and policymakers on baseline expectations for governance, risk management and transparency.
Summary of the resolution	Resolution 7: Report on Risks of Using Artificial Intelligence and Machine Learning Tools for Oil and Gas Development and Production Resolution 8: Report on Risks Related to AI Generated Misinformation and Disinformation Resolution 9: Report on AI Data Sourcing Accountability AGM: 10 December 2024
How LGIM voted	Against Resolutions 7 and 8 (in line with management recommendation) For Resolution 9 (against management recommendation)
Rationale for the vote decision	Our previous engagement with Microsoft specifically about the governance of artificial intelligence and the steps they are taking regarding risk management and opportunities has further informed our voting decisions. Regarding Resolution 7, after careful consideration, we believe that the concerns by the proposal raised do not present significant material risks at this time. The company provides sufficient disclosure on its approach to providing services to energy sector customers. We therefore voted against this resolution. Regarding Resolution 8, we consider at the present time that the company is a leader in its disclosures, governance processes and mitigation steps it is taking on risks posed by its operations from generative AI. We therefore voted against this resolution. Regarding Resolution 9, the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. 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. We therefore voted in favour of this resolution.
Outcome	Resolution 7: 9.7% voted "for" Resolution 8: 18.7% voted "for" Resolution 9: 36.2% voted "for"
Why is this vote significant?	These three votes are significant due to their relevance to our Investment Stewardship theme of 'Digitisation', relating to the governance of artificial intelligence and the expectations that we have published of companies: LGIM Blog: How we'll press for safe AI

Appendix 2 – ESG, Voting and Engagement Policies

Links to the voting and engagement policies for both Investment Managers and Underlying Investment Managers can be found here:

Investment Manager & Underlying Investment Manager	Voting & Engagement Policy
Schroders Solutions	The voting and engagement policies have been provided to the Trustee separately
Legal and General Investment Management	https://www.lgim.com/landg-assets/lgim/document-library/responsible-investing/active-ownership-report-2023---full-report.pdf