

Engagement Policy Implementation Statement (“EPIS”)

Ardagh Metal Beverage UK Pension Scheme (the “Scheme”)

Scheme Year End – 31 March 2024

The purpose of the EPIS is for us, the Trustee of the Ardagh Metal Beverage UK Pension Scheme (the “Scheme”), to explain what we have done during the year ending 31 March 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 Scheme’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, most of the Scheme’s material investment managers were able to disclose adequate evidence of voting and engagement activity, and the activities completed by our managers align with our stewardship expectations.

We delegate the management of the Scheme’s assets to our fiduciary manager, Aon Investments Limited (“Aon”). We believe the activities completed by our fiduciary manager to review the underlying managers’ voting and engagement policies and activities align with our stewardship expectations. We believe our voting rights have been implemented effectively on our behalf.

We will continue to meet with our fiduciary manager periodically to get a better understanding of how it is monitoring voting practices and engaging with underlying managers on our behalf, and how these help us fulfil our Responsible Investment policies.

How voting and engagement policies have been followed

The Scheme is invested entirely in pooled funds, and so the responsibility for voting and engagement is delegated to the Scheme'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 Scheme year and in our view, most of the investment managers were able to disclose adequate evidence of voting and engagement activity. More information on the stewardship activity carried out by the Scheme's investment managers can be found in the following sections of this report.

Over the reporting year, we monitored the performance of the Scheme's investments on a quarterly basis and received updates on important issues from our investment adviser, Aon. In particular, we received quarterly ESG ratings from Aon for the funds the Scheme is invested in where available. We also met virtually and in person with our fiduciary manager at Trustee meetings and engaged with them on a number of areas including how they are monitoring voting practices and engaging with underlying managers on our behalf, and how these help us fulfil our Responsible Investment policies.

In September 2023, we received training on the updated guidance published by the DWP in relation to how it expects trustees to approach stewardship. Although there were no new requirements, this training allowed us to review our current position. This resulted in changes being made to the Scheme's stewardship policy outlined in the SIP.

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

Our Engagement Action Plan

Based on the work we have done for the EPIS, we have decided to take the following steps over the next 12 months:

1. Whilst Legal and General Investment Management ("LGIM") did provide a comprehensive list of fund level engagements, which we find encouraging, it did not provide detailed engagement examples specific to the fund in which we are invested, as per the Investment Consultants Sustainability Working Group ("ICSWG") best practice industry standard. Our fiduciary manager, Aon, will continue to meet with the manager to better understand their engagement practices and discuss the areas which are behind those of their peers.
2. Marshall Wace did not provide the engagement data requested, whilst Man Group did not provide fund level engagement data. Our fiduciary manager will write to these managers to encourage improvements in their reporting.
3. We will continue to invite our fiduciary manager to trustee meetings to get a better understanding of how it is monitoring voting practices and engaging with underlying managers on our behalf, and how these help us fulfil our Responsible Investment policies.

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 fiduciary manager's engagement activity

We delegate the management of the Scheme's defined benefit assets to our fiduciary manager, Aon. Aon manages the Scheme's assets in a range of funds which can include multi-asset, multi-manager and liability matching funds. 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.

In 2021, Aon committed 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 2020 UK Stewardship Code. Aon is recognised by the Financial Reporting Council ("FRC") for its approach to asset stewardship. As a signatory, it reports annually to the FRC summarising its stewardship policies, processes, and activities completed throughout the year.

What is fiduciary management?

Fiduciary management is the delegation of some, or all, of the day-to-day investment decisions and implementation to a fiduciary manager. But the trustees still retain responsibility for setting the high-level investment strategy.

In fiduciary management arrangements, the trustees will often delegate monitoring ESG integration and asset stewardship to its fiduciary manager.

Our managers' 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 Scheme's investments is an important factor in deciding whether a manager remains the right choice for the Scheme.

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

Voting statistics

The table below shows the voting statistics for the Scheme's material fund with voting rights for the year to 31 March 2024.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
LGIM - Multi-Factor Equity Fund	12,190	99.8%	21.1%	0.2%

Source: LGIM. 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 advisers

Many investment managers use proxy voting advisers to help them fulfil their stewardship duties. Proxy voting advisers 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 adviser's recommendations.

The table below describes how the Scheme's manager uses proxy voting advisers.

Managers	Description of use of proxy voting adviser (in the manager's own words)
LGIM	LGIM's Investment Stewardship team uses ISS's '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: LGIM

Significant voting examples

To illustrate the voting activity being carried out on our behalf, we asked the Scheme's relevant investment manager to provide a selection of what they consider to be the most significant votes in relation to the Scheme's funds. A sample of these significant votes can be found in the appendix to this statement.

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 adviser?

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

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 Scheme's material managers. The managers have provided information for the most recent calendar year available. Some of the information provided is at a firm-level i.e. is not necessarily specific to the funds invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a fund level
	Fund level	Firm level	
PIMCO - Climate Bond Strategy	186	1,355	Environment - Climate Change Governance - Brd, Mgmt & Ownership Strategy, Financial & Reporting - Capital Allocation; Financial Performance Other - ESG Bonds and Others
LGIM - Multi-Factor Equity Fund	296	2,500	Environment - Climate Impact Pledge; Climate Change Social - Gender Diversity Governance - Remuneration; Board Composition
Aegon - European ABS Fund	127	528	Environment - Climate Change Governance - Brd Eff. - Diversity; Leadership - Chair/CEO; Remuneration Other - General Disclosure
M&G Investments Sustainable Total Return Credit Investment Fund	13	297	Environment - Net Zero/Decarbonisation; Nature and Biodiversity Social - Diversity and Inclusion; Inequality Governance - Board Composition
Robeco - Short Dated Credit	28	319	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Brd Eff. - Other Other - SDG Engagement
Robeco - SDG Credit Income Fund	17	319	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Brd Eff. - Other Other - SDG Engagement
Boussard & Gavaudan Fund	19	19	Environment - Climate Change Social - Human Capital Management Governance - Shareholder Rights; Remuneration Strategy, Financial & Reporting - Reporting
Man - ARP	Not provided	81	Environment* - Climate Change; Natural Resource Use/Impact Social* - Human and Labour Rights; Public Health Governance* - Remuneration
Marshall Wace - ESG TOPS UCITS Fund	Not provided	Not provided	Not provided

Source: Manager. Brd eff. refers to Board effectiveness.

*MAN did not provide fund level themes; themes provided are at a firm-level.

Data limitations

At the time of writing, the following managers did not provide all the information we requested:

- Marshall Wace did not provide any information requested.
- Man Group did not provide fund level engagement information.
- LGIM did provide fund level engagement information but not in the industry standard Investment Consultants Sustainability Working Group (“ICSWG”) template.

This report does not include commentary on certain asset classes such as liability driven investments, 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 Scheme’s assets that are held as AVCs.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Scheme's manager. We consider a significant vote to be one which the manager considers significant. Managers use a wide variety of criteria to determine what they consider a significant vote, some of which are outlined in the examples below:

LGIM Multi-Factor Equity Fund	Company name	The Toronto-Dominion Bank
	Date of vote	20 April 2023
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	0.1
	Summary of the resolution	Resolution 9 - Disclose Transition Plan Towards 2030 Emission Reduction Goals
	How you voted?	Votes supporting 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	We generally support resolutions that seek additional disclosures on how they aim to manage their financing activities in line with their published targets. We believe detailed information on how a company intends to achieve the 2030 targets they have set and published to the market (the 'how' rather than the 'what', including activities and timelines) can further focus the board's attention on the steps and timeframe involved and provides assurance to stakeholders. The onus remains on the board to determine the activities and policies required to fulfil their own ambitions, rather than investors imposing restrictions on the company.
	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 – Climate: LGIM considers this vote to be significant as we pre-declared our intention to support. We continue to consider that decarbonisation of the banking sector and its clients is key to ensuring that the goals of the Paris Agreement are met.

Source: Manager