

Engagement Policy Implementation Statement (“EPIS”)

Simpsons International (UK) Limited Pension Plan (the “Plan”)

Plan Year End – 31 December 2024

The purpose of the EPIS is for us, the Trustees of the Simpsons International (UK) Limited Pension Plan, to explain what we have done during the year ending 31 December 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, most of the Plan’s material investment managers were able to disclose good evidence of voting and/or engagement activity, and the activities completed by our managers align with our stewardship expectations.

We delegate the management of the Plan’s growth assets to Aon Investments Limited (“Aon”). We believe the activities completed by Aon 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.

How voting and engagement policies have been followed

The Plan is invested in pooled funds, and so the responsibility for voting and 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, most of the investment managers were able to disclose good evidence of voting and/or 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. In particular, we received quarterly ESG ratings from Aon for the growth funds the Plan is invested in where available.

Each year, we rely on Aon to 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: [Statement of Investment Principles](#)

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. We, with the support of Aon, will engage with the following managers to inform them of our expectations of better disclosures in the future:
 - a. Man Group and Arrowstreet did not provide fund-level engagement information. Man Group stated that it only conducts stewardship activities at firm level. Additionally, Arrowstreet did not provide engagement information in the industry standard Investment Consultants Sustainability Working Group ("ICSWG") template.
 - b. While the case studies shared by Marshall Wace provided good insight into the manager's engagement activity, overall limited engagement information was provided.
2. We will undertake more regular meetings with Aon if required, to ensure Aon is using its resources to effectively influence positive outcomes in our relevant funds.

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

Aon engagement activity

We invest all of the Plan's growth assets in three funds, including Aon's Active Global Fixed Income Strategy, Active Diversifiers Strategy and Global Impact Equity Strategy. These are fund of funds arrangements, 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.

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, which is a voluntary code established by the Financial Reporting Council that sets high standards on stewardship for asset owners, investment managers and service providers.

Our investment 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 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 managers to responsibly exercise their voting rights.

Voting statistics

The table below shows the voting statistics for each of the Plan's material funds with voting rights for the year to 31 December 2024. Russell were redeemed over the year and replaced by Aon to manage the growth assets.

Funds	Number of resolutions eligible to vote on	% of resolutions voted	% of votes against management	% of votes abstained from
Mirova - Global Sustainable Equity Fund	684	100.0%	36.4%	1.3%
Nordea Investment Management ("Nordea") - Global Climate and Environment Equity Fund	782	92.2%	7.4%	0.4%
Russell Investments Group ("Russell IG") - Multi Asset Growth Strategy Fund	13,585	95.0%	7.0%	0.0%

Source: Managers. 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 Plan's managers use proxy voting advisers.

Managers	Description of use of proxy voting advisers (in the managers' own words)
Mirova	Mirova votes pursuant to our own policy and utilizes the Institutional Shareholder Services ("ISS") proxy voting platform and research recommendations as one of many sources of research when determining how to vote.
Nordea	In general, every vote we cast is considered individually on the background of our bespoke voting policy, which we have developed in-house based on our own principles.

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 proxy voting is supported by two external vendors (Institutional Shareholder Services and Nordic Investor Services – henceforth, “ISS” and “NIS”) to facilitate proxy voting, execution and to provide analytic input. In 2021 these two vendors have merged.
Russell IG	An external service provider, Glass Lewis, serves as our proxy administrator and is responsible for applying our custom Guidelines when executing proxy votes. In cases where the Guidelines specify case-by-case review by committee, or for any proposal not specifically addressed in the guidelines, our internal Proxy Analysts will review available information (including certain research provided by Glass Lewis) and provide a recommendation to the Proxy Voting committee. The committee will then vote on the proposal(s) in question and communicate our decision to Glass Lewis it execute.

Source: Managers

Significant voting examples

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

Our investment 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 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 Plan.

Funds	Number of engagements		Themes engaged on at a fund/ firm level
	Fund level	Firm level	
Aegon Asset Management - European Asset Backed Securities ("ABS") Fund	115	422	Environment - Climate Change Social - Human and Labour Rights; Public Health Governance - Leadership - Chair/CEO; Remuneration Other - General Disclosure
M&G Investments - Sustainable Total Return Credit Investment Fund	12	406	Environment - Net Zero/Decarbonisation; CA 100+ Engagements; Climate Change; Nature & Biodiversity Social - Diversity & Inclusion Governance - Remuneration
Arrowstreet Capital - ESG Global Equity Long Short Fund	<i>Not provided</i>	159	Environment* - Water Quality; Water Security Social* - Human and Labour Rights; Community Relations Governance* - Business Ethics, Accounting and Taxation
Claus Capital - International Fund	30	30	Governance - Board Effectiveness. - Other; Leadership - Chair/CEO Strategy, Financial & Reporting - Strategy/Purpose; Financial Performance
Man Group – Alternative Risk Premia Fund	<i>Not provided</i>	66	Environment* - Climate Change; Natural Resource Use/Impact Social* - Human and Labour Rights; Human Capital Management Governance* - Remuneration
Marshall Wace LLP- ESG TOPS Fund		<i>Not provided</i>	
Mirova - Global Sustainable Equity Fund	23	79	Environment - Climate Change; Natural Resource Use/Impact Social - Human and Labour Rights; Human Capital Management Governance - Board effectiveness - Diversity
Nordea - Global Climate and Environment Equity Fund	47	1,409	Environment - Climate Change; Pollution, Waste; Natural Resource Use/Impact Social - Human and Labour Rights Governance - Remuneration
Russell IG - Multi Asset Growth Strategy Fund	384	600	Environment - Climate Change; Natural Resource Use/Impact Social - Human Capital Management Governance - Remuneration Strategy, Financial & Reporting - Reporting

Source: Managers.

*The following managers did not provide fund level themes; themes provided are at a firm-level:

- Arrowstreet Capital
- MAN Group

Data limitations

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

- Arrowstreet and Man Group did not provide fund level engagement information. Additionally, Arrowstreet did not provide engagement information in the industry standard ICSWG template.
- Although Marshall Wace provided some engagement information and firm-level examples, it did not provide most of the engagement information requested in the ICSWG reporting questionnaire.

This report does not include commentary on certain asset classes such as liability driven investments 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.

Appendix – Significant Voting Examples

In the table below are some significant vote examples provided by the Plan's managers. 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:

Mirova - Global Sustainable Equity Fund	Company name	Microsoft Corporation
	Date of vote	10 December 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	5.6
	Summary of the resolution	Shareholders request the Board of Directors commission a report assessing the implications of siting Microsoft cloud datacenters in countries of significant human rights concern, and the Company's strategies for mitigating these impacts. The report, prepared at reasonable cost and omitting confidential and proprietary information, should be published on the Company's website within a year of the 2024 shareholders meeting.
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	Microsoft has long been a Core company within Mirova's funds and, consequently, targeted for in-depth engagement. Various sustainability topics have consistently been addressed with Microsoft, notably amidst expansion of AI. In 2024, we notably refocused on 2 key aspects that justified our vote in favour of this item: i) Responsible AI, for which we joined the World Benchmarking Alliance Collaborative Engagement on Ethical AI and ii) AI & Climate, which is a growing topic of concern given the increase of Microsoft's carbon footprint in 2023. On the first aspect of Responsible AI, the collaborative engagement results show that Microsoft has among best practices in the market related to AI Governance, implementation and assessment of risks/impacts but we will keep monitoring this topic as high level of accountability is needed given its influence on the Generative AI sector. As part of our targeted engagement for 2024, we have also met Microsoft's Head of IR in June 2024 in Paris. Finally, on the latest engagement topic of AI & Climate, Mirova is in the process of writing a Position Paper and we are continuing our individual engagement with Microsoft. However, we are also exploring potential new collaborative engagement and advocacy initiatives to join.
	Rationale for the voting decision	The company has not provided evidence that it has conducted a human rights impact assessment, engaged impacted stakeholders, or disclosed an assessment or mitigation plan. The resolution requests for a report production enabling better voting decision for shareholders. As such, Mirova supports this resolution.
	Outcome of the vote	Fail

Nordea - Global Climate and Environment Equity Fund	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	This vote is one of the steps of our long-term engagement with the company. We continue to engage with the company to foster the adoption of best practices.
	On which criteria have you assessed this vote to be most significant?	This resolution concerns a topic that is core for the company and its business model.
	Company name	Republic Services Inc
	Date of vote	23 May 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	3.3
	Summary of the resolution	Report on "Just Transition"
	How you voted?	Votes supporting resolution
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	Shareholders would benefit from more disclosure on whether and how the company considers human capital management and community relations issues related to the transition to a low-carbon economy as part of its climate strategy.
	Outcome of the vote	Fail
Russell IG - Multi Asset Growth Strategy Fund	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	We will continue to vote for such proposals in this company as well as in other relevant companies.
	On which criteria have you assessed this vote to be most significant?	Significant votes are those that are severely against our principles, and where we feel we need to enact change in the company.
	Company name	Apple Inc
	Date of vote	02 February 2024
	Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	2.9
	Summary of the resolution	Shareholder Proposal Regarding Report on Use of Artificial Intelligence.
	How you voted?	Votes supporting resolution.
	Where you voted against management, did you communicate your intent to the company ahead of the vote?	No
	Rationale for the voting decision	Section I.2.I. Shareholder Proposal related to Environment and Social issues will be referred for a case-by-case vote.
	Outcome of the vote	Failed
	Implications of the outcome e.g. were there any lessons learned and what likely future steps will you take in response to the outcome?	This proposal was referred to the Active Ownership Committee for further review, per our guidelines. The Committee voted to support this proposal, along with over 36% of the vote. While the Company provides a broad range of disclosure related to its use of AI, as well as its human rights, diversity, and privacy policies and practices, it does not explicitly discuss the use of responsible AI practices in a manner that allows shareholders to fully comprehend how the Company is considering

these matters. Additional transparency around this nascent issue will allow shareholders better insight into is using and ensuring the ethical application of AI technologies.

On which criteria have you assessed this vote to be most significant?

Top Holding, Vote Against Management, Controversial Outcome, Social Shareholder Proposal.

Source: Managers