

# Engagement Policy Implementation Statement (“EPIS”)

## Terex Pension Scheme (the “Scheme”)

Scheme Year End – 05 April 2025

The purpose of the EPIS is for us, the Trustee of the Terex Pension Scheme (the “Trustee”), to explain what we have done during the year ending 05 April 2025 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 January 2025, the Scheme secured the final Bulk Purchase Annuity Agreement (the “Annuity”) with Aviva (the “Insurer”). The Annuity aims to cover the liabilities of the Scheme. In endeavouring to invest in the best financial interests of the beneficiaries and purchasing the Annuity, we recognise that we cannot, therefore, directly influence the Environmental, Social and Governance (“ESG”) integration or stewardship policies and practices of Aviva. We believe that the Insurer should use its influence and purchasing power where possible to ensure that ESG factors, including climate change, are appropriately considered by underlying investment managers and financial counterparties.

The Scheme’s residual invested assets as at 5 April 2025, valued at c.£2.1m, were invested in the BlackRock UK Property Fund. This holding was sold post year-end. There is also a residual amount of cash held in each of the Trustee bank accounts.

In our view, BlackRock was able to disclose adequate evidence of engagement activity, and the activities completed by BlackRock align with our stewardship expectations. The Scheme does not invest in equities and so does not have any voting responsibilities.

## Scheme activity over the year

During the Scheme year, the Scheme sold 100% of non-insured invested assets (excluding BlackRock UK Property) in order to secure 100% of members non-insured liabilities with an insurer (Aviva) via a bulk annuity transaction. This was completed in January 2025. This involved selling the remaining equity portfolio with the Scheme's investment manager, Legal & General ("LGIM") in May 2024.

In the interim period between May 2024 and January 2025 the Scheme held assets in liability driven investments with no attaching voting rights. Over the Scheme year, the Scheme also held an allocation to the BlackRock UK Property Fund which was sold post year end.

Given the short holding period for the LGIM equity portfolio, we have reported only on the Scheme's consistent holding over the Scheme year (i.e., BlackRock).

## How engagement policies have been followed

We reviewed the stewardship activity of Blackrock carried out over the Scheme year and in our view, BlackRock was able to disclose adequate evidence of engagement activity. More information on the stewardship activity carried out by the Scheme's investment manager can be found in the following section 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 Investments Limited ("Aon"). In particular, we received quarterly ESG ratings from Aon for the funds the Scheme is invested in where available.

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

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

We recognise our responsibilities as a steward of investment capital; however, we have limited ability to directly influence the Insurer's ESG integration, stewardship policies or practices.

We expect the Insurer to use its influence and purchasing power where possible to ensure that ESG factors, including climate change, are appropriately considered by its underlying investment managers. The responsibility for managing the arrangements (with the exception of the residual assets) with its underlying investment managers lies with Aviva. This responsibility may include ensuring that arrangements with appointed asset managers are aligned to achieving the long-term objectives of the Insurer; as well as having appropriate performance, costs (including turnover costs), and remuneration monitoring with respect to the appointed asset managers.

Should we be provided with any opportunity which we deem appropriate to influence the Insurer in these areas, we will consider it and take reasonable steps. We were unaware of any such opportunity during the Scheme year.

## 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 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 the Scheme's material manager. The manager has 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 fund invested in by the Scheme.

Funds	Number of engagements		Themes engaged on at a firm level
	Fund level	Firm level	
BlackRock - UK Property Fund	<i>Not provided</i>	3,384	Environment - Climate Risk Management; Other Company Impacts on the Environment Social - Human Capital Management; Social Risks and Opportunities Governance - Remuneration; Corporate Strategy; Business Oversight/Risk Management; Board Composition and Effectiveness

*Source: Manager. BlackRock did not provide fund-level themes; themes provided are at a firm-level.*

## Data limitations

At the time of writing, BlackRock did not provide the requested data in relation to its UK Property Fund.

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 Scheme's assets that are held as AVCs.