



Airsprung Retirement & Death Benefits Plan

Implementation Statement for year ended 31 March 2025

August 2025

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Introduction

This statement has been prepared by the Trustee of the Airsprung Retirement & Death Benefits Plan (the 'Trustee' and the 'Plan' respectively), with input from their Investment Consultants, to demonstrate how the Trustee has acted on certain policies within their Statement of Investment Principles (SIP).

Each year, the Trustee must produce an Implementation Statement that demonstrates how they have followed certain policies within their SIP over the Plan year. This Implementation Statement covers the Plan year from 1 April 2024 to 31 March 2025.

This Implementation Statement has been prepared in accordance with the Occupational Pension Schemes (Investment and Disclosure) Regulations 2005 Amendments and is in respect of the Defined Benefit (DB) investments held by the Plan. Note that this excludes any Additional Voluntary Contribution investments held by the Plan.

Trustees of DB pension schemes are required to provide details of how, and the extent to which, their SIP policies on engagement with investee companies have been followed over the year, including a description of their voting behaviour, the most significant votes cast and any use of a proxy voter on their behalf over the year.

SIP policies

This implementation statement should be read in conjunction with the Plan's SIPs covering the year under review, which gives details of the Plan's investment policies along with details of the Plan's governance structure and objectives. The SIP was formally reviewed in June 2021, with the Trustees stating the following policies on the exercise of voting rights and engagement activities related to their investments:

- The Trustees' policy is to invest in pooled investment vehicles. It is the Investment Managers that are responsible for the policy on taking environmental, social and governance ('ESG') considerations into account in the selection, retention and realisation of investments within the pooled investment vehicles and for the exercise of rights (including voting rights) attaching to these investments.
- In relation to those investment vehicles which are index tracking, the Trustees recognise that the investment objective for the manager is to track the specified index and that the extent to which ESG factors are considered by the manager when selecting, retaining and realising investments will depend on the specified index. However, the Trustees expect the Investment Managers to use the voting rights and to actively engage with the senior management of the companies in which it invests in order to encourage positive ESG change.
- The Trustees' policy in relation to any rights (including voting rights) attaching to its investments is to exercise those rights to protect the value of the Plan's interests in the investments, having regard to appropriate advice.
- The Trustees expect the Plan's Investment Managers to integrate ESG factors into the decision making process when selecting, retaining and realising investments and for this to be reported to the Trustees. The Trustees also expect the Plan's Investment Managers to provide regular updates on how it exercises voting rights and actively engages with the companies in which it invests, including how often it votes against company proposals.
- The Trustees expect the investment manager to use its voting rights and to actively engage with the senior management of the companies in which it invests on aspects including firm performance, strategy, capital structure, management of actual and potential conflicts of interest, risks and ESG issues. The Trustees also expect the investment manager to engage with other relevant persons including issuers and holders of debt and equity and other stakeholders. The Trustees believe that such engagement will protect and enhance the long-term value of its investments.
- A policy on monitoring the Plan's asset managers, particularly concerning financial arrangements and ESG factors, including meeting the Plan's fund managers as frequently as is appropriate in order to review performance including with respect to performance, remuneration and compliance against their ESG policy and using the Plan's monitoring framework.
- A policy on the duration of the Plan's arrangement with the investment managers, which includes that if the Investment Manager is no longer in accordance with the Trustee's policies, including ESG and engagement

with investee organisations, or if the Investment Manager's performance net of fees or ESG practices are also not in line with the Trustee's expectations or views then they may be reviewed and replaced.

There have been no changes made to the policies over the current Plan year to 31 March 2025. The Plan's SIP was last updated in June 2021 to reflect the investment strategy agreed at that time.

This Implementation Statement reviews the voting and engagement activities covering the 12-month period to the Plan year-end and the extent to which the Trustee believes the policies within the SIP have been followed.

Over the year to 31 March 2025, the Plan invested in pooled funds managed by L&G Asset Management Limited ('L&G').

Description of voting behaviour

The Plan is invested in pooled funds, which means that the responsibility for exercising the voting rights on the shares held by the Plan sits with the Investment Manager.

Over the year to 31 March 2025, the Plan held the following pooled fund investments:

- L&G Buy & Maintain Credit Fund;
- an Index Linked Gilts Fund range with L&G; and
- a liability driven investment (LDI) portfolio with L&G.

None of these funds had voting rights and therefore no votes were cast on behalf of the Trustee during the year.

Proxy voting

The Trustee did not employ a proxy-voting service during the year to 31 March 2025.

L&G votes by proxy through the Institutional Shareholder Services' (ISS) electronic voting platform as, given the scale of its holdings, the manager cannot be present at shareholder meetings to cast votes. It should be noted that all voting decisions are made by L&G using its individual market specific voting policies, with L&G's own research only supplemented by ISS recommendations and research reports produced by the Institutional Voting Information Service (IVIS). To ensure L&G's proxy provider votes in accordance with their position on ESG, L&G has put in place a custom voting policy with specific voting instructions. L&G publicly communicates its vote instructions on its website with the rationale for all votes against management.

How engagement policies have been followed

The Trustee's Investment Consultants have provided information to the Trustee on the voting and engagement activity taken on their behalf and have discussed it with the Trustee. The Trustee has agreed that, in future, summaries would be provided to enable key metrics and trends to be reviewed. The information published by the Investment Manager on their voting policies has provided the Trustee with comfort that their voting and engagement policies have been followed during the Plan year.

As set out in the SIP, the Trustee expects the Investment Manager to engage with investee companies on aspects such as firm performance, strategy, capital structure, management of actual and potential conflicts of interest, risks and ESG issues concerning the Trustee's investments.

Details of specific voting and engagement topics are shown in the following table.

Voting and engagement topic	Policy followed in the opinion of Trustee?	Comments
Performance of debt or equity issuer	✓	L&G's voting and engagement policies do not cover the past financial performance of investee companies. However, the voting and engagement which has been undertaken aims to improve the long-term future performance of the investee companies.
Strategy	✓	L&G believe that board independence, diversity and remuneration can have a financially material impact on the assets it invests within, with the Board ultimately responsible for the strategy for any company that is invested in or held as a counterparty. L&G has clear voting policies covering each of these topics and have acted on them throughout the Plan year on behalf of the Trustee.
Risks	✓	L&G has clear voting policies on ensuring that companies manage risk effectively and have robust internal controls. L&G believes that increased transparency and disclosure can allow for financially material risks to be identified. L&G has its own internal Risk Management System (RMS) to provide effective oversight of key processes. This includes L&G's voting activities and related client reporting.
Social and environmental impact	✓	L&G has engaged with companies that have poor climate scores relative to their size and for those that don't meet minimum standards and if these minimum standards are not met over time, L&G may look to divest until progress is shown. L&G has also introduced a policy to vote against the chair of the board of UK companies which fall short on L&G's ethnic diversity expectations.
Conflict of interest	✓	Remuneration of personnel can lead to conflicts of interest between the principal (shareholder) and agent (management). Over the period under review, L&G voted against incentive awards which did not have performance conditions, as these awards would not align remuneration with company performance.
Corporate governance	✓	L&G's policy from 2020 is to vote against all elections which combine the roles of CEO and Chair. L&G has reinforced their position on leadership structures across our stewardship activities such as via individual corporate engagements and director conferences. In 2024, L&G further enhanced its global policy expectations that at least 40% of company boards and executive leadership teams are women.
Capital structure	✓	L&G has policies on voting in respect of resolutions regarding changes to company capital structure such as share repurchase proposals and new share issuance. For example, L&G has policies that newly issued shares should not expose minority shareholders to excessive dilution. L&G also has policies that protect minority shareholder rights including "one share, one vote" to avoid weakening of corporate governance as investors ability to influence and hold directors accountable would be reduced.

Significant votes

As no votes were cast over the period 1 April 2024 to 31 March 2025 for any of the pooled funds in which the Plan was invested, there were no significant votes cast on the Trustee's behalf.

Engagement with investee companies

Exercising voting rights is not the only method of influencing behaviours of investee companies and is not directly applicable for the Plan's fixed income investments like the L&G Buy and Maintain Credit Fund that do not usually carry voting rights.

L&G actively engages with the investee companies in writing, via conference call and at face-to-face meetings with management to influence positive ESG practice. It is also noted that there is substantial overlap between the companies in which L&G holds debt and equity and so, while the corporate bonds mandate does not hold voting rights, L&G's position as the equity holder elsewhere will likely result in them having voting rights to compound the impact and influence that L&G has on each company's practices.

L&G manage over £1.1 trillion in assets, and use their resulting influence, focussing their engagement activities on climate change, income equality, diversity, and ESG integration.

L&G's engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for clients. L&G's policies are reviewed annually and take into account client feedback.

At a fund specific level, L&G provided that the Buy and Maintain Credit Fund saw the following engagement statistics in the year to 31 March 2025.

	Total engagements	No. unique companies engaged	Environmental topics	Social topics	Governance topics	Other topics
Buy and Maintain Credit Fund	331	181	210	76	86	46

Note: individual engagements may cover multiple topics.

The remainder of the Plan's assets are invested in leveraged and single-stock nominal and index-linked government bonds with the purpose of reducing risk by hedging the exposure to interest rate and inflation inherent in the Plan's liabilities. L&G has governance practices in place to capture key regulatory developments which might influence the future management and performance of these hedging assets.

Extent to which the Trustee's policies have been followed during the year

Having received information from their Investment Consultants on the actions taken on their behalf by L&G, the Trustee, with input from their Investment Consultants, is satisfied that their policies on voting rights and engagement have been implemented appropriately over the year and in line with their views as stated in the Plan's SIP. The Trustee will continue to monitor the actions taken on their behalf each year, and, through their Investment Consultants, press for improved information from the Investment Manager.

If the Investment Manager deviate substantially from the Trustee's stated policies, the Trustee or their Investment Consultants will initially discuss this with the relevant manager. If in the opinion of the Trustee, and following discussion with their Investment Consultants, the difference between the policies and the investment manager's actions is judged to be material, the Trustee will consider terminating the mandate.

