

Implementation Statement

Timbmet Group Pension Fund

Purpose of this statement

This implementation statement has been produced by the Trustee of the Timbmet Group Pension Fund (“the Scheme”) to set out the following information over the year to 31 March 2024 (the Scheme’s year-end):

- How the Trustee’s policies on exercising rights (including voting rights) and engagement, as set out in the Scheme’s Statement of Investment Principles (SIP), have been followed over the year.
- The voting activity undertaken by the Scheme’s investment managers on behalf of the Trustee over the year, including information regarding the most significant votes.

Please note that there were significant strategy changes to the Scheme at the start of the Scheme year. These involved a strategic move away from SEI Investments (“SEI”) and into LGIM. As part of this move, the Scheme disinvested from the liquid SEI funds in May 2023. Given the liquid SEI funds were only invested in for a short period at the start of the Scheme year, no data has been shown for these funds.

While the liquid funds were sold in May 2023, the Scheme continued to invest in three illiquid SEI funds as there was a queue for these funds to be sold. Full redemption instructions were placed, but two of these funds were still held at the Scheme’s year-end (representing less than 5% of the total portfolio). As the Scheme is in the process of selling the holdings and they do not represent part of the Scheme’s strategic allocation no data has been shown for these.

Stewardship policy

The Trustee’s Statement of Investment Principles in force at March 2024 describes the Trustee’s stewardship policy on the exercise of rights (including voting rights) and engagement activities. The version in force at the year-end was last reviewed in September 2023. The latest version has been made available online here:

[Statement of Investment Principles \(timbmet.com\)](https://www.timbmet.com)

At this time, the Trustee has not set stewardship priorities or themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks.

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme’s investment managers, the Trustee believes that its policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme’s fund managers.

- The Trustee, with input from their investment consultant, annually receives and review (through their Implementation Statement), the voting information and engagement policies of their investment managers to ensure alignment with their own policies. The Trustee believes that the voting and engagement activities undertaken by the investment managers on their behalf have been in the members' best interests.
- As part of annual monitoring of the Scheme's investment managers, the Trustee uses ESG ratings information provided by its investment consultant to assess how the Scheme's investment managers take account of ESG issues.
- Having reviewed the above in accordance with their policies, the Trustee is comfortable the actions of the investment managers are in alignment with the Scheme's stewardship policies.

**Prepared by the Trustee of the Timbmet Group Pension Fund
July 2024**

Voting Data

This section provides a summary of the voting activity undertaken by the investment managers within the Scheme's portfolio on behalf of the Trustee over the year to 31 March 2024.

The Leveraged Liability Driven Investment (LDI) and corporate bond holdings with Legal & General Investment Management ("LGIM") have no voting rights. As noted, no voting data has been shown for the SEI holdings.

Manager	LGIM
Fund name	Future World Global Equity Index Fund GBP Hedged
Structure	Pooled
Ability to influence voting behaviour of manager	The pooled structure of the fund means there is limited scope for the Trustee to influence the manager's voting behaviour.
No. of eligible meetings	5,134
No. of eligible votes	52,212
% of resolutions voted	99.9%
% of resolutions abstained¹	0.3%
% of resolutions voted with management¹	80.3%
% of resolutions voted against management¹	19.5%
Proxy voting advisor employed*	Institutional Shareholders Services (ISS)
% of resolutions voted against proxy voter recommendation*	11.1%

¹ As a percentage of the total number of resolutions voted on

Source: LGIM. Please note votes may not sum to 100% due to rounding.

*LGIM noted 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, LGIM have put in place a custom voting policy with specific voting instructions.

Significant votes

The change in Investment and Disclosure Regulations that came into force from October 2020 requires information on significant votes carried out on behalf of the Trustee over the year to be set out. The guidance does not currently define what constitutes a “significant” vote. However, recent guidance states that a significant vote is likely to be one that is linked to one or more of a Scheme’s stewardship priorities or themes.

At this time, the Trustee has not set stewardship priorities or themes for the Scheme but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustee has asked the investment managers to determine what they believe to be a “significant vote”. The Trustee has not communicated voting preferences to their investment managers over the period, as the Trustee is yet to develop a specific voting policy. In future, the Trustee will consider the most significant votes in conjunction with any agreed stewardship priorities or themes.

LGIM have provided a selection of over 800 votes, which they believe to be significant. In the absence of agreed stewardship priorities or themes, the Trustee has selected 3 votes from the manager to represent what it considers the most significant votes cast on behalf of the Scheme - the votes of the largest holdings relating to each fund have been chosen as the most significant.

A summary of the significant votes provided is set out below.

LGIM, Future World Global Equity Index Fund GBP Hedged

	Vote 1	Vote 2	Vote 3
Company name	Microsoft Corporation	Apple Inc.	NVIDIA Corporation
Date of vote	7 December 2023	28 February 2024	22 June 2023
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	5.5%	4.5%	2.1%
Summary of the resolution	Elect Director Satya Nadella	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Elect Director Stephen C. Neal
How the manager voted	LGIM voted against the resolution.	LGIM voted against the resolution.	LGIM voted against the resolution (against management resolution).
Where you voted against management, did you communicate your intent to the company ahead of the vote?	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is LGIM's 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		
Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles	Shareholder Resolution - Environmental and Social: A vote against this proposal is	Diversity: A vote against is applied as LGIM expects a

	Vote 1	Vote 2	Vote 3
	of Chair and CEO due to risk management and oversight concerns.	warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and non-discrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.	company to have at least one-third women on the board. Average board tenure: A vote against is applied as LGIM expects a board to be regularly refreshed in order to maintain an appropriate mix of independence, relevant skills, experience, tenure, and background.
Outcome of the vote	Pass	Fail	Pass
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
Criteria on which the vote is considered "significant"	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of their vote policy on the topic of the combination of the board chair and CEO.	Thematic - Diversity: LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their clients behalf.	Thematic - Diversity: LGIM views diversity as a financially material issue for their clients, with implications for the assets they manage on their clients behalf.

Fund level engagement

The investment managers may engage with investee companies on behalf of the Trustee. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

As noted, no data has been shown for the SEI holdings.

Manager	LGIM		
	Buy and Maintain Credit Fund	Absolute Return Bond Fund	Future World Global Equity Index Fund GBP Hedged
Number of engagements undertaken on behalf of the holdings in this fund in the year	177	156	795
Number of entities engaged on behalf of the holdings in this fund in the year	83	75	530

Manager	LGIM
Number of engagements undertaken at a firm level in the year	2,144

Examples of engagement activity undertaken over the year to 31 March 2024

Manager	Engagement example
LGIM	<p>APA</p> <p>APA is Australia's largest energy infrastructure business. Under LGIM's Climate Impact Pledge campaign, they have been engaging with the company directly since 2022; as one of their selected 'dial mover' companies, LGIM believe it has the scale and influence across its industry and value chain for its actions to have positive reverberations beyond its direct corporate sphere.</p> <p>LGIM expect companies to introduce credible transition plans, consistent with the Paris goals of limiting the global average temperature increase to 1.5°C. This includes the disclosure of Scope 1, 2 and material Scope 3 GHG emissions and short, medium and long-term GHG emissions reduction targets consistent with the 1.5°C goal.</p> <p>As a consequence, when APA Group brought its climate transition plan to a vote, LGIM were unable to support it: although the plan presented Scope 1 and 2 goals for the medium and long term on a path to achieving net zero emissions by 2050, no Scope 3 targets were included. The company noted that these would be finalised no later than 2025.</p> <p>LGIM initiated engagement with the company after this vote, and met with them for the first time in early 2023 as part of their Climate Impact Pledge engagement. They have continued to build the relationship, setting out their expectations as per the net zero guide, working with the company to understand the hurdles it faces and the challenges to meeting these expectations.</p> <p>LGIM were very pleased that, in their meeting with them in early 2024, APA confirmed that they will include a Scope 3 goal in the 2025 refresh of their Climate Transition Plan, and they outlined their proposed Scope 3 reduction pathway. The company noted that feedback from the 20% of investors, including LGIM, who voted against their proposed Climate Transition Plan in 2022, had solidified their decision to commit to a Scope 3 target.</p>

Approved by the Trustee of the Timbmet Group Pension Fund on 09 October 2024