

Implementation Statement

Thomas Dudley Group Limited Pension and Life Assurance Scheme

Purpose of the Implementation Statement

This Implementation Statement has been prepared by the Trustees of the Thomas Dudley Group Limited Pension and Life Assurance Scheme ("the Scheme") and sets out:



how the Trustees' policies on exercising rights (including voting rights) and engagement activities have been followed over the year; and
the voting activity undertaken by the Scheme's investment managers on behalf of the Trustees over the year, including information regarding the most significant votes.

The voting behaviour is not given over the Scheme year end to 30 April 2025 because investment managers only report on this data quarterly, the Trustees have therefore given the information over the year to 31 March 2025.



Conclusions

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme's policies on exercising rights (including voting rights) and engagement activities. The Trustees are supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the investment managers hold shares.

Stewardship policy

The Trustees' Statement of Investment Principles (SIP) in force at 31 March 2025 describes the Trustees' policies on the exercise of rights (including voting rights) and engagement activities. It is available online here:

[TD Pension And Life Assurance Scheme 24.pdf](#)

At this time, the Trustee has not set stewardship priorities / 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. At the start of the Scheme year, the Scheme changed its investment strategy to be more in-line with the portfolio held by a typical insurance company, which included selling the majority of its assets bearing voting rights. The majority of the portfolio therefore consists of pooled funds with underlying investments that are predominantly gilts, index-linked gilts and corporate bonds, which have no voting rights attached. The Trustees understand that they are constrained by the policies of the managers. However, the Trustees take the stewardship priorities, climate risk, and ESG factors into account at manager selection. ESG factors were considered as part of the restructuring of the portfolio undertaken at the start of the Scheme year. The Trustees also review the stewardship and engagement activities of the investment managers annually. The Trustees have delegated the exercise of rights attaching to investments, including voting rights, and in undertaking engagement activities to the Scheme's investment managers.

How voting and engagement policies have been followed

The Trustees consider their voting and engagement policies have been met in the following ways:

- The Trustees regularly consider the performance of the funds held with each investment manager and any significant developments that arise, including developments in relation to ESG, stewardship and ethical considerations. At the Scheme year-end, the Scheme's investment managers were as follows:
 - Legal & General Investment Management ("LGIM").
 - Quilter Cheviot Investment Management ("Quilter").
- The Scheme invests in a mix of pooled funds and a segregated account and delegates responsibility for carrying out voting and engagement activities to the Scheme's investment managers. The Scheme's investment consultant, Barnett Waddingham, conducts regular research into the pooled funds used by the Scheme, including reviewing stewardship policies and engagement activities.
- The Trustees receive information on Environmental, Social and Governance ("ESG") considerations, engagement and voting annually from their investment managers, via their investment consultant, and review this annually to ensure alignment with their own policies. The findings of the Trustees' review are reported in this Implementation Statement which will also be included in the Scheme's Annual Report & Accounts for the year to 30 April 2025.
- Having reviewed the above in accordance with their policies, the Trustees are comfortable the actions of the Scheme's investment managers are in alignment with the Scheme's ESG and Stewardship policies.

**Prepared by the Trustees of the Thomas Dudley Group Limited Pension and Life Assurance Scheme
September 2025**

Voting Data

Manager	Quilter Cheviot*
Fund name	Segregated Account
Structure	Segregated
Ability to influence voting behaviour of manager	The segregated mandate allows the Trustees to engage with the manager and influence their voting behaviour.
Number of company meetings the manager was eligible to vote at over the year	Data not provided (manager voted on 511 company meetings over the year)
Number of resolutions the manager was eligible to vote on over the year	Data not provided (manager voted on 7,741 resolutions over the year)
Percentage of resolutions voted <i>with</i> management, as a percentage of the total number of resolutions voted on	97.3%
Percentage of resolutions voted <i>against</i> management, as a percentage of the total number of resolutions voted on	2.7%
Percentage of resolutions voted <i>contrary</i> to the recommendation of the proxy advisor	Data not provided. Quilter have noted that on a number of occasions, having engaged with the relevant company, they did not follow the proxy advisor's recommendation.

*Data has been provided at firmwide level.

There are no voting rights attached to the other assets held by the Scheme, which includes: bonds, property, cash and other debt instruments.



Proxy voting

Quilter use Institutional Shareholder Services (ISS) proxy voting service in order to inform their decision making, however they do not automatically implement its recommendations. When Quilter meet a company to discuss governance issues, the research analyst usually does so alongside the Responsible Investment team, as Quilter are committed to ensuring that responsible investment is integrated within their investment process rather than apart from it.



Significant votes

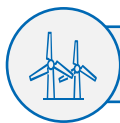
At this time, the Trustees have not set stewardship priorities / themes for the Scheme, but will be considering the extent that they wish to do this in due course, in line with other Scheme risks. So, for this Implementation Statement, the Trustees have asked the investment managers to determine what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

Quilter have provided a selection of votes which they believe to be significant, and in the interest of concise reporting the tables below show three of these votes for each fund. In the absence of agreed stewardship priorities / themes, the Trustees have selected three votes from each manager, that cover a range of themes to represent what it considers the most significant votes cast on behalf of the Scheme.

Quilter Cheviot Investment Manager

	Vote 1	Vote 2	Vote 3
Company name	Nike	Microsoft	Siemens Healthineers
Date of vote	Q3 2024	Q4 2024	Q1 2025
Approximate size of fund's holding as at 31 March 2025 (as % of portfolio)	c.0.5%	c.2.0%	0.1%
Summary of the resolution	Reporting on environmental targets (shareholder proposal)	Reporting on artificial intelligence data sourcing accountability (shareholder proposal)	Compensated related resolutions (management item)
How the manager voted	For	For	Against
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Data not provided	Data not provided	Data not provided
Rationale for the voting decision	Concerns have been raised in recent years as Nike has continuously failed to meet its 2020 carbon reduction targets. Therefore, Quilter supported this shareholder proposal requesting the company to analyse and report on its failure to meet its targets, and steps to ensure it meets its sustainability objectives moving forwards.	Quilter supported this shareholder request as shareholders would benefit from increased disclosure regarding how the company is managing human rights-related risks in high-risk countries.	Quilter voted against the remuneration policy at the Siemens Healthineers meeting, primarily due to the company increasing the potential maximum pay-out, without providing a compelling rationale to shareholders.
Outcome of the vote	Data not provided	Data not provided	Data not provided
Implications of the outcome	Data not provided	Data not provided	Data not provided
Criteria on which the vote is considered "significant"	ESG – this vote was made regarding Environmental risk	ESG – this vote was made regarding Social risk	ESG – this vote was made regarding Governance risk

Source: Quilter Cheviot Investment Management



Engagement

The investment managers may engage with investee companies on behalf of the Trustees. 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 and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

Manager	Quilter Cheviot	LGIM
Fund name	Segregated Account	Global Unconstrained Bond Fund
		Maturing Buy and Maintain Credit Funds (2025 – 2029), (2030 – 2034), (2035 – 2039), (2040 – 2054)
Does the manager perform engagement on behalf of the holdings of the fund	Yes	Yes
Has the manager engaged with companies to influence them in relation to ESG factors in the year?	Yes	Yes
Number of engagements undertaken at a firm level in the year	77	4,459
Number of engagements undertaken at a fund level in the year	17	315
		2025 – 2029 Fund: 279 2030 – 2034 Fund: 285 2035 – 2039 Fund: 174 2040 – 2054 Fund: 201

Examples of engagement activity undertaken over the year to 31 March 2025

Manager	Fund name	Engagement themes and examples of engagements undertaken with holdings in the fund
Quilter Cheviot	Segregated Account	<p>Social - Experian Quilter engaged with the Chief Sustainability Officer and General Counsel at Experian as part of the company's sustainability roadshow.</p> <p>The discussion covered regular social impact themes, including Experian's role as a credit bureau in improving underserved population's financial health. Consumer facing products such as Experian 'Go' and Experian 'Boost' have been successful in bringing 'credit invisible' customers into the financial system and allowing them to improve their credit scores through non-standard demonstrations of credit health (e.g. paying rent or regular subscription services). Through the 'Boost' product, Experian has noted that 88% of users, typically those</p>

Manager	Fund name	Engagement themes and examples of engagements undertaken with holdings in the fund
		<p>without a pre-existing credit score, have improved their credit health. The company is in the process of building out processes to better measure social impact of products and is explicit in stating that the majority of its product line contributes towards Sustainable Development Goals (SDGs) 1.4, 8.10 and 9.3 (related to poverty prevention, decent work, and financial infrastructure).</p> <p>Experian maintains its focus on improving gender diversity at managerial level, aiming for women to hold 40% of senior manager positions by 2027 (currently 35%). In terms of climate transition planning, the company has had Scope 1 and 2 emissions reductions plans approved by the Science Based Target Initiative (SBTi) and is in the process of have its Scope 3 strategy approved. Quilter touched upon the company's increasing use of artificial intelligence and machine learning. Although industry wide ethical governance of this area is nascent, Experian reiterated that it will not implement a new model unless it makes the credit outcomes more inclusive. Performance of new data models is regularly measured against baselines census data to check for bias and is monitored by Chief Data Officers in each country of operation.</p> <p>Outcome: Quilter have a favourable view on broad ESG performance and agree with the company's assessment that a material degree of revenue aligns with select SDGs. Based on this conversation, Quilter maintain this view and are encouraged to see a continued focus on improving diversity and governance outcomes as well as more quantitative measures on the contribution to better financial health.</p>
LGIM	Global Unconstrained Bond Fund, Maturing Buy and Maintain Credit Funds	<p>Environmental – Pemex Petroleos Mexicanos (Pemex) is one of the largest oil and gas companies (by refining capacity), with significant production of crude oil and natural gas. LGIM believe that the company is critical in Mexico's energy security and has a significant influence, particularly in South America, over the decarbonisation of the oil and gas industry, as well as the realisation of financial opportunities from the energy transition.</p> <p>LGIM focused on Pemex's management of methane emissions which have been an area of concern across their supply chain. LGIM believe that reducing methane emissions can be a powerful and cost-effective way for oil and gas companies to make progress towards climate goals and manage regulatory and reputational security.</p> <p>LGIM have been a contributing investor to the CA100+ engagements with Pemex since 2023. LGIM helped establish a productive dialogue between the company and its investors. They also encouraged the company to take a number of steps towards clear disclosures, oversight of climate risk at board level, and set ambitious but achievable climate targets.</p> <p>Following successive engagements, the company published its first Sustainability Plan, setting out clear targets for emissions reduction, enhanced disclosure, allocation of capital towards achieving climate goals, and addressing methane emissions within their operations. LGIM believe the publication of Pemex's first Sustainability Plan demonstrates positive commitments regarding emissions reduction targets, disclosures, capital allocation and managing and mitigating methane emissions risks. LGIM also believe the strength of these commitments and their endorsement by Pemex's CEO demonstrate a connected and serious approach to tackling these crucial issues.</p> <p>LGIM will continue to focus on methane emissions when engaging with oil and gas companies, as they seek to encourage companies to realise the potential for value creation along their journey to net zero.</p>