

## **APPENDIX 1 - IMPLEMENTATION STATEMENT AS AT 5TH APRIL 2025**

### **Purpose**

This statement provides information on how, and the extent to which, the Trustees of the Jelson Limited Pension & Life Assurance Scheme (“the Scheme”) has followed their policy in relation to the exercising of rights attached to the Scheme’s investments, and engagement activities during the year ended 5 April 2025 (“the reporting year”). The Trustees have prepared this implementation statement in compliance with the governance standards introduced under The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

### **The trustee’s policies on ESG matters**

The Trustees are required to produce a yearly statement to set out how, and the extent to which, they have followed the policies on voting, stewardship and engagement as set out in the Scheme’s Statement of Investment Principles (“SIP”), dated November 2024, during the scheme year.

The statement is also required to include a description of the voting behaviour during the scheme year by, and on behalf of, the Trustees (including the most significant votes cast by the Trustees or on their behalf).

During the year under review the majority of the Scheme’s assets were transferred to Legal and General Assurance Society Limited (“LGAS”) to purchase a buy-in policy to insure the Scheme’s benefits. Some assets were retained and remain invested with Legal and General Investment Management (“the Investment Manager”).

#### **A. Voting and Engagement Policy**

The policy as set out in the SIP in respect of voting, stewardship and engagement is, in summary, as follows:

- I. The Trustees expect engagement of the Investment Manager with management of the underlying issuers of debt and the exercising of voting rights. Throughout the year, the Scheme held investments with a single investment manager, Legal and General Investment Management .
- II. The Investment Manager, however, following the buy-in, acknowledges that, in practice, there will be limited potential for the Investment Manager to engage on the Trustees’ behalf. The Investment Manager has full discretion for undertaking engagement activities in respect of the investments. Post buy-in, the Scheme has its remaining invested assets solely invested in gilts and cash.
- III. The Investment Manager will report on voting and engagement activity to the Trustees on a periodic basis together with its adherence to the UK Stewardship Code. The Trustees will consider whether the approach taken was appropriate or whether an alternative approach is necessary.
- IV. The Trustees consider the long-term financial interests of the Scheme to be paramount but, where appropriate and practical, expect the Investment Manager to consider financially material Environmental, Social and Governance (“ESG”) issues in investment decision making and to practice good stewardship.

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The Investment Manager is expected to undertake good stewardship and positive engagement in relation to the Scheme's investments. The Trustees consider that the long-term financial risks to the Scheme and ESG factors, including climate risk, are potentially material.

The Trustees have implemented this policy as described and in particular have received reports from the Investment Manager regarding voting and engagement.

No changes were made to the voting and engagement policies in the SIP during the scheme year, however, there is acknowledgement that voting and engagement information will be limited due to the recent buy-in.

### **Adherence to the Statement of Investment Principles**

During the reporting year the Trustee is satisfied that it followed its policy on the exercise of rights (including voting rights) and engagement activities to an acceptable degree.

### **Voting activity**

As the Scheme invests the invested assets in pooled funds, the Trustees do not have the option of applying their own voting policy. All underlying securities in pooled funds which have voting rights are managed by the investment managers having the legal right to the underlying votes. The Scheme invests with LGIM, in the Sterling Liquidity Fund, single date gilts and index-linked gilts, none of which confer voting rights. Therefore, there were no voting opportunities during the year. The assets which the Scheme held throughout the year had no equity exposure and no voting information was disclosed by the Investment Manager in relation to the Scheme's investments. However, in terms of its general approach to these matters LGIM responded as follows.

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#### **Investment Manager Client Consultation Policy on Voting**

LGIM's voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for all our clients. Our voting policies are reviewed annually and take into account feedback from our clients.

Every year, LGIM holds a stakeholder roundtable event where clients and other stakeholders (civil society, academia, the private sector and fellow investors) are invited to express their views directly to the members of the Investment Stewardship team. The views expressed by attendees during this event form a key consideration as we continue to develop our voting and engagement policies and define strategic priorities in the years ahead. We also take into account client feedback received at regular meetings and/ or ad-hoc comments or enquiries.

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Investment Manager Process to determine how to Vote
<p>All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance &amp; Responsible Investment and Conflicts of Interest policy documents which are reviewed annually. Each member of the team is allocated a specific sector globally so that the voting is undertaken by the same individuals who engage with the relevant company. This ensures our stewardship approach flows smoothly throughout the engagement and voting process and that engagement is fully integrated into the vote decision process, therefore sending consistent messaging to companies.</p>
How does this manager determine what constitutes a 'Significant' Vote?
<p>As regulation on vote reporting has recently evolved with the introduction of the concept of 'significant vote' by the EU Shareholder Rights Directive II, LGIM wants to ensure we continue to help our clients in fulfilling their reporting obligations. We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account.</p> <p>For many years, LGIM has regularly produced case studies and/ or summaries of LGIM's vote positions to clients for what we deemed were 'material votes'. We are evolving our approach in line with the new regulation and are committed to provide our clients access to 'significant vote' information.</p> <p>In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions &amp; Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:</p> <ul style="list-style-type: none"> <li>• High profile vote which has such a degree of controversy that there is high client and/ or public scrutiny;</li> <li>• Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where we note a significant increase in requests from clients on a particular vote;</li> <li>• Sanction vote as a result of a direct or collaborative engagement;</li> <li>• Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5-year ESG priority engagement themes.</li> </ul> <p>We provide information on significant votes in the format of detailed case studies in our quarterly ESG impact report and annual active ownership publications.</p> <p>The vote information is updated on a daily basis and with a lag of one day after a shareholder meeting is held. We also provide the rationale for all votes cast against management, including votes of support to shareholder resolutions.</p> <p>If you have any additional questions on specific votes, please note that LGIM publicly discloses its vote instructions on our website at: <a href="https://vds.issgovernance.com/vds/#/MjU2NQ==/">https://vds.issgovernance.com/vds/#/MjU2NQ==/</a></p>

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Does the manager utilise a Proxy Voting System? If so, please detail
<p>LGIM's Investment Stewardship team uses ISS's 'ProxyExchange' electronic voting platform to electronically vote clients' shares. All voting decisions are made by LGIM and we do not outsource any part of the strategic decisions. Our use of ISS recommendations is purely to augment our own research and proprietary ESG assessment tools. The Investment Stewardship team also uses the research reports of Institutional Voting Information Services (IVIS) to supplement the research reports that we receive from ISS for UK companies when making specific voting decisions. To ensure our proxy provider votes in accordance with our position on ESG, we have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which we believe all companies globally should observe, irrespective of local regulation or practice. We retain the ability in all markets to override any vote decisions, which are based on our custom voting policy. This may happen where engagement with a specific company has provided additional information (for example from direct engagement, or explanation in the annual report) that allows us to apply a qualitative overlay to our voting judgement. We have strict monitoring controls to ensure our votes are fully and effectively executed in accordance with our voting policies by our service provider. This includes a regular manual check of the votes input into the platform, and an electronic alert service to inform us of rejected votes which require further action.</p>

### Engagement activity

In order to monitor engagement undertaken by LGIM, the Trustees have collected the following information.

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### LGIM - Sterling Liquidity Fund

Engagement Information	
How many engagements took place over the last 12 months which were relevant to this strategy?	36 (fund level)

The section below provides an example of where the Investment Manager has engaged with the underlying companies, of which the Fund invests in, over the course of the 12 month period.

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<b>Name of entity you engaged</b>	<b>Xcel Energy Inc</b>
Year engagement was initiated	Q4 2024
Topic of Engagement	Income inequality / energy / regulation
Your objective(s) from the engagement	<p>On data centres, Xcel Energy are working to ensure that arrangements are a net-benefit to customer bills through higher utilisation. If there is a need for new Transmission and Distribution, Xcel will work to ensure this is paid for by the data centre upfront.</p> <p>Last year, Xcel Energy spent \$500m on demand response and energy efficiency programmes. However, we will be continuing engage with the US utilities, including Xcel Energy, to ensure that they are lobbying regulators sufficiently in order to be compensated appropriately for this spend. At present, we see a motivational disconnect for the US utilities in bringing down load growth through demand-side response programmes as the spend is not currently compensated through rate base. As a result, we believe the US utilities can drive a more efficient, greener, and more customer-centric grid of the future through more appropriate targeted engagement with regulators at state and federal level. We will continue to engage with Xcel Energy and other US utilities on this topic moving forward.</p>
Please describe your engagement method.	<p>The most recent meeting with Xcel Energy to discuss these topics was in May 2025. This was attended by Peter Andrews (Equity Research) and Charlie Miller (Climate Solutions) from LGIM. We met with Xcel Energy's CEO and Head of IR. The topics discussed included their most recent results, changes to tax credits, affordability, the coal executive order, and wildfires.</p> <p>On affordability, we see it as crucial that the US utilities keep bill rises under control in order to reduce regulatory pressure on allowed returns and rate base growth. Maintaining affordability will thus permit companies to satisfy their capital expenditure plans for the future and enable them to decarbonise the grid. We engaged with Xcel Energy to ensure that any data centre arrangements did not come at the expense of customer bills. In addition, we are working with Xcel Energy to ensure that their capital expenditure is being carried out in an efficient manner in order to not put undue pressure on customer bills; this efficiency needs to be approached from both the supply side and through demand-side response.</p> <p>We also met with IR in February 2025 and November 2024 to discuss similar topics.</p>

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Name of entity you engaged	Xcel Energy Inc
Please comment on the outcomes from this engagement so far?	<p>On data centres, Xcel Energy are working to ensure that arrangements are a net-benefit to customer bills through higher utilisation. If there is a need for new Transmission and Distribution, Xcel will work to ensure this is paid for by the data centre upfront.</p> <p>Last year, Xcel Energy spent \$500m on demand response and energy efficiency programmes. However, we will be continuing engage with the US utilities, including Xcel Energy, to ensure that they are lobbying regulators sufficiently in order to be compensated appropriately for this spend. At present, we see a motivational disconnect for the US utilities in bringing down load growth through demand-side response programmes as the spend is not currently compensated through rate base. As a result, we believe the US utilities can drive a more efficient, greener, and more customer-centric grid of the future through more appropriate targeted engagement with regulators at state and federal level. We will continue to engage with Xcel Energy and other US utilities on this topic moving forward.</p>