

## **Currie Motors Retirement Benefits Plan – year to 5 April 2025**

### **Implementation Statement**

#### **Overview**

The Trustee of the Currie Motors Retirement Benefits Plan (“the Plan”) has prepared this implementation statement in compliance with the governance standards introduced under The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. Its purpose is to demonstrate how the Trustee has followed the policy on voting, stewardship and engagement as set out in the Plan’s Statement of Investment Principles (“SIP”), dated November 2023. This statement covers the year to 5 April 2025.

The Plan’s assets are held in pooled investment funds (via the Mobius Life investment platform) and the day-to-day management of these investments (including the responsibility for voting and engaging with companies) is delegated to the Fund Managers of the pooled investment funds (the “Fund Managers”).

The Fund Managers of the pooled investment funds are Legal & General Investment Management (“LGIM”), BNY Mellon Investment Management (“BNYM”) and Columbia Threadneedle Investments (“CT”).

As Trustee of the Plan’s assets, we are responsible for the selection and retention of the funds. Reviewing the voting and engagement activities, which we include details on below, is an important exercise to help us ensure they remain appropriate and are consistent with the Fund Managers’ stated policies in this regard. We are satisfied with the voting and engagement activities of the Fund Managers, and in particular, that the Fund Managers are using their position as stakeholder to engage constructively with investee companies. However, we will engage with them should we have any concerns about the voting and/or engagement activities carried out on our behalf. The Trustee had no cause to challenge the Fund Managers’ voting and/or engagement activities during the year to 5 April 2025.

No changes to the SIP or the investment strategy were made during the year to 5 April 2025.

#### **Reporting and oversight**

The Trustee has regularly reviewed the performance of the funds over the year and performance information is set out elsewhere in this report. The Trustee is satisfied that the performance of the funds is consistent with their objectives. The Trustee, in conjunction with the sponsoring employer, continues to review the operational efficiency and ongoing management of the Plan, including potential alternatives to the current structure. The Trustee continues to engage with its advisors in this regard.

#### **Voting and engagement**

The Trustee’s policy, as set out in the SIP, is to consider only factors that are expected to have a financial impact on the Plan’s investments. Details on significant voting and engagement activities provided by the Fund Managers are set out below. In order to produce this Statement, we have asked all of the Fund Managers a series of questions on their policies and actions and to provide examples relating to their voting and engagement activities during the year and in conjunction with our advisers, have

identified significant voting and engagement activities (i.e. those most relevant to the Trustee's policy). We have then reviewed and summarised their responses for the purpose of this statement.

LGIM have provided information relating to the Global Equity (30:70) Index - 75% GBP Hedged Fund, the Diversified Fund, as these funds hold equities for which they have voting rights.

The BNYM Global Dynamic Bond Fund does not hold equities and, given that bonds do not confer voting rights, there was no voting carried out in relation to this fund. However, BNYM do undertake engagement activities in respect of their bond holdings, and we have included examples below.

The CT Dynamic LDI Funds do not hold equities and given that these investments do not confer voting rights, there was no voting carried out in relation to these funds. However, CT does undertake engagement activities with counterparty banks on relevant issues, where applicable, and we have included examples below.

### **LGIM - voting and engagement activities**

The following commentary is based on the information that LGIM have provided in response to our questions and illustrates how they co-ordinate their voting and engagement activities with companies.

*"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.*

*All decisions are made by LGIM's Investment Stewardship team and in accordance with our relevant Corporate Governance & 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.*

*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.*

*We also believe public transparency of our vote activity is critical for our clients and interested parties to hold us to account. In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association consultation (PLSA)."*

### **LGIM Global Equity (30:70) Index – 75% GBP Hedged Fund**

LGIM were eligible to vote on 71,485 resolutions. Votes: For 81%, Against 18%, Abstained 1%. There were 2,431 engagements over the year in relation to this fund. The majority of engagements were made regarding environmental topics.

The Trustee has reviewed LGIM's voting activity and in conjunction with its adviser, Cartwright, on the Trustee's behalf, has identified the following as the most significant votes from the perspective that they potentially have the biggest financial impact on the Plan, as set out in the SIP:

#### **1. MICROSOFT CORPORATION**

Date: 10/12/2024

Resolution: Report on AI Data Sourcing Accountability

Vote: For

*"A vote for this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. While the company has strong disclosures on its approach to responsible AI and related risks, shareholders would benefit from greater attention to risks related to how the company uses third-party information to train its large language models."*

#### **2. SHELL PLC**

Date: 21/05/2024

Resolution: Approve the Shell Energy Transition Strategy

Vote: Against

*"We acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years, and we view positively the commitments made to reduce emissions from operated assets and oil products, the strong position taken on tackling methane emissions, as well as the pledge of not pursuing frontier exploration activities beyond 2025. Nevertheless, in light*

*of the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, we expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050. In essence, we seek more clarity regarding the expected lifespan of the assets Shell is looking to further develop, the level of flexibility in revising production levels against a range of scenarios and tangible actions taken across the value chain to deliver customer decarbonisation. Additionally, we would benefit from further transparency regarding lobbying activities in regions where hydrocarbon production is expected to play a significant role, guidance on capex allocated to low carbon beyond 2025 and the application of responsible divestment principles involved in asset sales, given portfolio changes form a material lever in Shell's decarbonization strategy."*

## **LGIM Diversified Fund**

LGIM were eligible to vote on 107,020 resolutions. Votes: For 77%, Against 22%, Abstained 1%. There were 3,694 engagements over the year in relation to this fund. The majority of engagements were made regarding environmental topics.

The Trustee has reviewed LGIM's voting activity and in conjunction with their adviser, Cartwright, on the Trustee's behalf, have identified the following as the most significant votes from the perspective that they potentially have the biggest financial impact on the Plan, as set out in the SIP:

### **1. UNILEVER PLC**

Date: 01/05/2024

Resolution: Approve Climate Transition Action Plan

Vote: For

*"A vote for the CTAP is applied as we understand it to meet LGIM's minimum expectations. 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 a 1.5°C Paris goal. Despite the SBTi recently removing their approval of the company's long-term scope 3 target, we note that the company has recently submitted near term 1.5 degree aligned scope 3 targets to the SBTi for validation and therefore at this stage believe the company's ambition level to be adequate. We therefore remain supportive of the net zero trajectory of the company at this stage.*

### **2. NATIONAL GRID PLC**

Date: 10/07/2024

Resolution: Approve Climate Transition Plan

Vote: For

*"LGIM is voting in favour of the National Grid Climate Transition plan. We commend the company's efforts in committing to net-zero emissions across all scopes by 2050 and setting 1.5C-aligned near term science based targets. We also appreciate the clarity provided in the 'Delivering for 2035 report' and look forward to seeing the results of National Grid's engagement with SBTi regarding the decarbonisation of heating."*

## **BNYM - engagement activities**

The following commentary is based on the information that BNYM have provided in response to our questions on voting and engagement and illustrates how they co-ordinate their voting and engagement activities with companies. Newton are a subsidiary of BNYM and are the entity that manage the Global Dynamic Bond Fund.

*“We believe the value of our clients’ portfolios can be enhanced by the application of good stewardship. This is achieved by engagement with investee companies and through the considered exercise of voting rights. Our understanding of a company’s fundamental business enables us to assess the appropriate balance between the strict application of corporate governance policies and taking into account a company’s unique situation.*

*We do not maintain a strict proxy voting policy. Instead, we prefer to take into account a company's individual circumstances, our investment rationale and any engagement activities together with relevant governing laws, guidelines and best practices. For the avoidance of doubt, all voting decisions are made by Newton.*

*It is only in the event of a material potential conflict of interest between Newton, the investee company and/or a client that the recommendations of the voting service used (Institutional Shareholder Services, or the ISS) will take precedence. It is also only in these circumstances when we may register an abstention given our stance of either voting in favour or against any proposed resolutions. The discipline of having to reach a position of voting in favour or against management ensures we do not provide confusing messages to companies.*

*Voting decisions take into account local market best practice, rules and regulations while also supporting our investment rationale. For example, when voting on the election of directors in Japan, we are unlikely to vote against a board chair should the board not be majority independent given that only recently the corporate governance code has recommended boards appoint independent directors. However, in the UK, where majority independent boards are well established and expected by investors, we are likely to vote against the chair and non-independent directors. This being said, we frequently vote against executive pay at US companies despite it being accepted US market practice of granting significant awards of free shares, as we believe executive pay should be aligned with performance.”*

## **BNYM Global Dynamic Bond Fund**

The fund does not hold equities and therefore does not have the same voting rights as some other funds. However, Newton’s (as a subsidiary of BNYM) engagement activities are undertaken for all the companies that they hold and so they also engage with the companies whose bonds are held in this fund.

There were 43 engagements over the year in relation to this fund. The majority of engagements were made regarding environmental topics.

The Trustee has reviewed Newton's engagement activity in conjunction with their adviser, Cartwright, and the following has been identified as the most significant example of engagement from the perspective that it potentially has the biggest financial impact on the Plan, as set out in the SIP.

#### **BARCLAYS PLC**

*"Climate transition risk and net zero strategy:*

*Barclays has improved its CTF considerably over the years by providing information on its overall scoring methodology, governance structure and broad parameters it uses to assess clients. While the bank has highlighted it engages with its clients, more disclosures around its engagement process with a focus on key topics of discussion and expectations around best in class practice would provide investors more comfort.*

*Takeaways:*

- Barclays highlighted that it regularly reviews client's disclosures and actions on transition and engages with them if it feels it can add value, it seeks to work with them and help them transition in the long-term.*
- We highlighted that the best in class practices or key topics it discusses without disclosing competitive information would be beneficial for shareholders to assess the bank's actions*

*Engagement Outcome:*

*We remain comfortable with the bank's overall approach to climate transition and our feedback was acknowledged by the bank to provide more disclosure on its overall engagement process under the CTF.*

*Next Steps:*

*We will monitor the bank's update on its broader transition plan later this year and aim to engage again by early next year. "*

#### **CT - engagement activities**

The following commentary is based on the information that CT have provided in response to our questions and illustrates how they co-ordinate their engagement activities with companies. These examples provide evidence that they are engaging actively with the companies they invest in on behalf of the Scheme.

*"We take responsible investment seriously. The identification of financially material environmental, social and governance (ESG) issues forms part of our investment process, helping us to manage risk and support long-term returns. Beyond the management of opportunity and risk, we also see responsible investing and broader investment stewardship activities as part of our duty as an investor acting in the best interest of our clients, and as a participant in the global financial system.*

*Our approach is aligned with the core values and beliefs of the wider Financial Group, and draws on national and international codes and standards for responsible investment and ownership, including the United Nations Principles for Responsible Investment, to which we are a founder signatory.*

*LDI portfolios are very different to traditional equity or bond portfolios and so our engagement programme primarily focuses on trading counterparties and clearing members. This engagement work is structured both in terms of prioritisation (both in terms of companies to whom we have the greatest exposure and to companies whom we feel have the greatest ESG deficiencies) and in terms of progress monitoring against predefined milestones.”*

### **CT Dynamic LDI Funds**

The funds contains investments that provide exposure to long dated interest rates / inflation. They do not hold equity investments and the fund manager is therefore not eligible to vote. However, CT does still engage with counterparty banks on relevant issues.

CT provide 6-monthly engagement reports in relation the CT LDI portfolio. and there were 13 engagements over 12 months to 30 June 2025. The majority of engagements were made regarding corporate governance topic topics.

Columbia Threadneedle Investments identifies specific objectives for their engagements. CT record specific outcomes where objectives are achieved as “milestones” and report these to clients. Each milestone is rated on a three-star scale related to the extent to which CT assess it to protect and enhance investor value. Over the 12 months to 30 June 2025, there were no “milestone” cases to be reported.