

Hashimoto Limited Pension Scheme

Implementation Statement

For the year ended 28 February 2025

Introduction

This statement has been prepared by the Trustee of the Hashimoto Limited Pension Scheme ("the Scheme") to demonstrate how the Trustee has acted on certain policies within the Statement of Investment Principles ("SIP"). This document is known as the Scheme's Implementation Statement.

This Implementation Statement covers the Scheme year from 1 March 2024 to 28 February 2025 and provides details of how, and the extent to which, the SIP policies on engagement have been followed over the year, including a description of voting behaviour, the most significant votes cast and the use of proxy voting over the year.

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 Scheme. Note that this excludes any Additional Voluntary Contribution investments held by the Scheme.

SIP Policies

This Implementation Statement should be read in conjunction with the Scheme's SIP covering the year under review, which gives details of the Scheme's investment policies along with details of the Scheme's governance structure and objectives.

The Scheme's SIP includes policies on:

- How 'financially material considerations' including Environmental, Social and Governance ("ESG") factors are taken into account when taking investment decisions for the Scheme.
- The extent to which non-financial matters are taken into account in the investment decision making process.
- Stewardship and voting – including details on monitoring and engaging with the companies in which they invest (and other relevant stakeholders) on relevant matters (including performance, strategy, risks, corporate governance and ESG). Engagement with investee companies by the investment managers is also expected on the matters of capital structure and the management of actual or potential conflicts of interest.
- Monitoring the Scheme's investment manager, particularly concerning financial arrangements, performance, ESG factors and engagement were added.
- The duration of the Scheme's arrangement with the investment manager.

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

The Scheme's SIP states the following policies on the exercise of voting rights and engagement activities related to their investments:

- The Trustee's policy is to invest in pooled investment vehicles. It is the investment manager that is responsible for the policy on taking 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.
- The Trustee acknowledges that certain ESG factors are financially material and may therefore influence the risk and return characteristics of the Scheme's investments and the likelihood that the Scheme's objectives will be achieved.
- The Trustee, in consultation with their Investment Advisor, has reviewed the ESG and stewardship policies of the investment managers and are comfortable that these policies are consistent with their views.

There were no changes to the SIP over the reporting year.

Description of voting behaviour

The Scheme is invested in pooled funds, which means that the responsibility for exercising the voting rights on the shares held by the Scheme sits with the investment manager. The Trustee has enforced the policies in place by monitoring the engagement and voting activities of the Scheme's investment manager to attempt to ensure they are aligned with the Trustee's policies. This Implementation Statement summarises the votes made on behalf of the Trustee over the Scheme year.

Over the year to 28 February 2025, the Scheme held the following pooled fund investments, all managed by Legal & General Investment Management ("LGIM"):

- a sterling hedged ESG-focused global equity fund,
- a buy & maintain credit fund,
- leveraged liability driven investment ("LDI") funds.

The Scheme only had one investment which carried voting rights over the Scheme year - the LGIM Future World Global Equity Index Fund – Sterling Hedged. The Trustee was invested in this Fund for the duration of the Scheme year.

The following table shows LGIM's voting summary covering the Scheme's investment in the Future World Global Equity Fund – GBP Hedged, over the year to 31 March 2025. LGIM is currently only able to provide voting statistics for 12-month periods to quarter-ends, rather than the actual periods invested. Therefore, we have included voting information covering the most relevant 12-month period from 1 April 2024 to 31 March 2025.

LGIM Future World Global Equity Fund – GBP Hedged (£4.4m or 37% of Scheme assets as at 28 February 2025)	
Number of meetings LGIM was eligible to vote at over the year to 31 March 2025	5,515
Number of resolutions LGIM was eligible to vote on over the year to 31 March 2025	55,096
Of the eligible resolutions, percentage that LGIM voted on.	99.8%
Of the resolutions voted, percentage that LGIM voted with management.	81.0%
Of the resolutions voted, percentage that LGIM voted against management.	17.9%
Of the resolutions voted, percentage where LGIM abstained .	1.1%
Percentage of eligible meetings where LGIM voted at least once against management.	58.6%

Note: Totals may not sum due to rounding.

Proxy voting

The Trustee did not employ a proxy-voting service during the Scheme year to 28 February 2025.

LGIM votes by proxy through the Institutional Shareholder Service's ('ISS') electronic voting platform as given the scale of its holdings, the fund manager cannot be present at shareholder meetings to cast votes. It should be noted that all voting decisions are made by LGIM using its individual market specific voting policies, with LGIM's own research only supplemented by ISS recommendations and research reports produced by the Institutional Voting Information Service ('IVIS').

How voting and engagement policies have been followed

The Trustee reviews and monitors the voting and engagement activity taken on their behalf on an annual basis. The information published by the investment manager has provided the Trustee with comfort that the voting and engagement policies have been followed during the year. 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	✓	LGIM'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	✓	<p>LGIM 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. LGIM has clear voting policies covering each of these topics and have acted on them throughout the Section year on behalf of the Trustee.</p> <p>In 2024, LGIM announced further enhancements to its DEI policy expectations that the underrepresented gender on the board should represent at least 40% of the directors on non-controlled company boards. LGIM has also extended these diversity policies in the US and UK to include ethnic representation on the board. LGIM ask that the largest companies in these two markets have at least one member from an ethnic minority background, and LGIM will apply voting sanctions to those that do not meet this requirement.</p> <p>This year, LGIM voted against the election of male chairmen due to a lack of gender diversity at a number of companies, including Alphabet Inc., Meta Platforms, Inc. and UnitedHealth Group Incorporated.</p>
Risks	✓	<p>LGIM has clear voting policies on ensuring that companies manage risk effectively and have robust internal controls.</p> <p>LGIM voted in favour of a resolution from Microsoft Corporation to report on AI Data Sourcing Accountability. A vote in favour was applied as LGIM recognises the company is facing increased legal and reputational risks related to copyright information associated with its data sourcing practices. Whilst LGIM acknowledges the strength of existing disclosures on related AI risks, LGIM believes shareholders would benefit from greater attention on the use of third-party information to train its large language models.</p>
Social and Environmental impact	✓	<p>In 2024, LGIM's Climate Impact Pledge covered 55% of total corporate securities by value, and 82% of total carbon emissions attributable to L&G's Asset Management business's corporate equity and debt holdings. The Climate Impact Pledge aims to hold directors to account for their management of climate risk. As a result, 37 companies were identified for voting sanctions and 2 more companies were added to LGIM's divestment list. For example, LGIM voted against Broadcom Inc. on the appointment of Henry Samueli as Director based on the company falling behind minimum climate risk management standards.</p> <p>In November 2024, LGIM published their Human Capital Management Policy, setting out their expectations of companies on how to manage their labour force.</p>
Corporate Governance	✓	<p>The Trustee believes that the board's duty is to decide the appropriate company strategy, with the CEO in turn responsible for executing the strategy. For this structure to work effectively, the Trustee also believes that the appropriate governance structures need to be in place. Over 2024, LGIM have implemented stricter director independence criteria across the US and Japanese markets beyond the assessment undertaken by their proxy advisor. The criteria considers director independence in light of tenure on the board.</p> <p>LGIM also expect separation of duties between the board and the CEO. LGIM's policy from 2021 is to vote against all elections which combine the roles of CEO and Chair. LGIM continued to vote against electing directors of JPMorgan Chase & Co, Johnson and Johnson, and Berkshire Hathaway Inc. alongside several others, in line with this policy.</p> <p>To ensure that each board is operating at an appropriate level, a 'board maturity' assessment is used to assess effectiveness, covering areas such as performance and company strategy.</p>

Conflicts of Interest	✓	<p>Remuneration of personnel can lead to conflicts of interest between the principal (shareholder) and agent (management).</p> <p>Over the period, LGIM voted against a one-off award for a non-executive officer at Tesla. The executive had received a large, time-based stock option upon promotion, over a period in which most non-executive officers received modest or no compensation. LGIM voted against the one-off award as it believes the approved and existing remuneration policy in place is sufficient to retain and motivate executives.</p>
Capital Structure	✓	<p>LGIM 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, LGIM has policies that newly issued shares should not expose minority shareholders to excessive dilution.</p> <p>LGIM also has policies that protect minority shareholder rights including “one share, one vote” to avoid the weakening of corporate governance as investors ability to influence and hold directors accountable would be reduced. As such LGIM against 258 companies with ‘dual class’ share structures in line with this voting policy over 2024.</p>

Significant votes

LGIM has provided details of its voting actions including a summary of the activity covering the year to 31 March 2025. The Trustee has adopted the manager’s definition of significant votes and has not set stewardship priorities. LGIM has provided examples of votes it deems to be significant, and the Trustee has shown the votes relating to the greatest exposure within the Scheme’s investment.

Example 1: LGIM Future World Global Equity Fund – GBP Hedged	
Vote Details	Microsoft Corporation, 10/12/2024
Approximate size of fund’s holding as at date of vote	4.9% of Future World Global Equity Fund – GBP Hedged.
Rationale for Significance	High Profile Meeting - LGIM considers this vote significant due to the relatively high level of support received.
Voting decision	LGIM voted in favour of the proposal for the company to report on AI Data Sourcing due to increased legal and reputational risks.
Voting against management	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. Typically, it is LGIM’s policy not to engage with investee companies in the three weeks prior to an AGM as engagement is not limited to shareholder meeting topics. LGIM pre-declared its vote intention for this resolution.
Vote outcome	Fail
Next Steps	LGIM will continue to engage with the investee company, publicly advocate its position on this issue and monitor company and market-level progress.

Example 2: LGIM Future World Global Equity Fund – GBP Hedged	
Vote Details	Amazon.com, Inc, 22/05/2024
Approximate size of fund’s holding as at date of vote	1.8% of Future World Equity Index Fund – GBP Hedged
Rationale for Significance	This resolution related to one of the largest companies and employers in the world. LGIM believes that Amazon’s approach to human capital management issue has the potential to drive improvements in its industry and supply chain.
Voting decision	LGIM voted in favour of Amazon reporting on customer due diligence.
Voting against management	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. Typically, it is LGIM’s policy not to engage with investee

	companies in the three weeks prior to an AGM as engagement is not limited to shareholder meeting topics. LGIM pre-declared its vote intention for this resolution.
Vote outcome	N/A
Next Steps	LGIM will continue to engage with the investee company, publicly advocate its position on this issue and monitor company and market-level progress.

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 Scheme's fixed income investments within the LGIM Buy and Maintain Credit Fund (c. 35% of Scheme assets as at 28 February 2025) as these investments do not carry voting rights. However, the Trustee expects the investment manager to engage on its behalf to aim to influence the underlying investee companies in respect of the ESG and stewardship matters outlined above.

LGIM actively engages with the investee companies via direct messages and meetings with management and engagements via email to influence positive ESG practices. It is also noted that there is substantial overlap between the companies in which LGIM holds debt and equity and so, while the corporate bonds mandate does not hold voting rights, LGIM's position as the equity holder elsewhere will likely result in them having voting rights to compound the impact and influence that LGIM has on each company's practices.

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 clients. LGIM's voting policies are reviewed annually and take into account client feedback.

Over the 12 months to 31 March 2025, LGIM undertook 4,459 engagements with 4,210 companies at the firm level. Some engagements cover multiple topics and LGIM has provided the following summary:

- 3,971 on environmental topics;
- 647 on social topics;
- 330 on governance issues; and
- 155 on other topics including finance and strategy.

The following table summarises the engagements undertaken on a fund-by-fund basis by LGIM. The latest available data provided by LGIM relates to the year to 31 March 2025 for both the Future World Global Equity– GBP Hedged Fund and the Buy and Maintain Credit Fund.

	Total Engagements	No. Unique Companies Engaged	% of eligible fund value engaged	Environmental Topics	Social Topics	Governance Topics	Other Topics
Future World Global Equity Fund – GBP Hedged	1,944	1,274	64%	1,331	440	292	143
Buy and Maintain Credit Fund	331	181	52%	210	76	86	46

The remainder of the Scheme's assets (c. 28% as at 28 February 2025) are invested in leveraged nominal and index-linked government bonds and interest rate and inflation swaps through the LGIM Matching Core Funds with the purpose of reducing risk by hedging the exposure to interest rate and inflation inherent in the Scheme's liabilities. LGIM 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 Trustee's policies have been followed during the year

Having reviewed the actions taken by the investment managers over the Scheme year, the Trustee believes that the policies on voting rights and engagement have been implemented and followed over the Scheme year. The Trustee will continue to monitor the actions taken on its behalf each year.

If the investment manager deviates substantially from the Trustee's stated policies, the Trustee will initially discuss this with the relevant fund manager. If in the opinion of the Trustee the difference between the policies and the investment manager's actions is material, the Trustee will consider terminating the mandate.