



## **Hellmann International Forwarders Pension Scheme** Implementation Statement for the year ended 5 April 2025

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## Introduction

This Implementation Statement (the "Statement") has been prepared by the Trustee of the Hellmann International Forwarders Pension Scheme (the "Trustee" and the "Scheme" respectively), to demonstrate how the Trustee has acted on certain policies within the Statement of Investment Principles ('SIP').

This Implementation Statement covers the Scheme year to 5 April 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 ("AVC") investments held by the Scheme.

## Extent to which the SIP policies were followed over the year

In the opinion of the Trustee, the SIP has been followed throughout the year to 5 April 2025 for the Hellmann International Forwarders Pension Scheme.

## SIP policies

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

Over the Scheme year, there have been no changes to the SIP.

In Q4 2024, following a short review of market conditions and the investment strategy, a rebalance took place to bring the asset allocation back in line with the strategic asset allocation and the liability hedge was updated to target a hedge ratio of c.65% on a technical provisions' basis.

Post quarter end, a full review of the investment strategy has been completed whereby the Trustee has agreed on a new investment strategy. In addition, a liability hedge review is currently ongoing with the intention to further increase the liability hedge and therefore reduce interest rate and inflation risk.

The SIP will be updated following the hedge review.

The agreed strategy is shown in the table below.

Asset Class	Previous Strategy	Updated Strategy
Global Equities – GBP Currency Hedged	50%	-
Corporate Bonds	20%	-
Leveraged LDI* Portfolio	30%	40%
Diversified Growth Fund ('DGF')	-	60%

\*LDI = Liability Driven Investment (the use of gilts, bonds and derivatives, within a pooled fund, to broadly match the Scheme's liability profile.

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

### Voting Activity:

- The Trustee's policy is to invest in pooled investment vehicles. The investment managers are responsible for 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; and

- The Trustee, in consultation with its investment advisor Isio Group Limited (the “Investment Advisor”), has reviewed the ESG and stewardship policies of the investment managers and is comfortable that these policies are consistent with the views of the Trustee.

#### *Performance and Engagement Activities:*

- The Trustee recognises the potential impact financially material considerations (including but not limited to ESG, including climate change) can have on long term investment performance and both immediate and future downside risks. The ongoing management of assets is delegated to the Scheme’s investment managers through a series of pooled funds. Regular monitoring of the investment managers is key to ensuring the Trustee’s policy around financially material considerations is being adhered to. This includes the review of regular reports produced by the investment managers on their engagement with companies on ESG considerations;
- The Trustee has set an appropriate monitoring framework to ensure the Scheme’s investment managers are regularly reviewed. This includes the investment managers’ performance, remuneration and compliance against the Trustee’s ESG policy. Regular monitoring and communication with the investment managers, with specific references to ESG factors, will incentivise the Scheme’s investment managers to assess and improve the medium to long-term performance of investee companies, both financial and non-financial;
- In addition to performance measures, the Trustee reviews the engagement activity of the investment managers to ensure that active engagement with investee companies is taking place, where possible, to influence positive change in relation to ESG factors. The Trustee will also monitor the voting activity of the investment managers to ensure votes are being used and are aligned to the Trustee’s views on ESG; and
- The remuneration of the investment managers is not directly linked to performance, given the absence of performance related fees, or to ESG practices. However, the Trustee will review and replace the investment manager if net of fees investment performance, risk characteristics and ESG practices are not in line with the Trustee’s expectations and views.

If the Trustee believes that any of the Scheme’s investment managers are no longer acting in accordance with the Trustee’s policies, including those regarding ESG and engagement with investee companies to assess and improve their medium to long term financial and non-financial performance, the Trustee will take the following steps:

- Engage with the Investment Manager in the first instance, in an attempt to influence its policies on ESG and stewardship; and
- If necessary, look to appoint a replacement investment manager which is more closely aligned with the Trustee’s policies and views.

The Trustee believes that these steps will incentivise its investment managers to act responsibly and to align their actions with the Trustee’s policies.

## Description of voting behaviour

The Scheme invests in pooled funds, which means that the responsibility for exercising the voting rights on the shares held by the Scheme sit primarily with the investment manager, LGIM. Therefore, the Trustee has effectively delegated responsibility for voting to its investment manager. The Trustee has enforced the policies in place by monitoring the engagement and voting activities of the Scheme’s investment manager, LGIM and assessing their alignment with the Trustee’s policies. This Implementation Statement summarises the votes made on behalf of the Trustee over the Scheme year.

The Scheme held the following pooled fund investments over the Scheme year:

- LGIM All World Equity Index Fund – GBP Currency Hedged;
- LGIM Investment Grade Corporate Bond All Stocks Fund; and
- LGIM Matching Core (“LDI”) Funds.

Of the Scheme’s investments held, only the LGIM All World Equity Index Fund – GBP Currency Hedged carried equity voting rights during the Scheme year.

The Trustee did not employ a proxy voting service during the Scheme year.

Following the transition to the new strategy, all assets will continue to be held with LGIM as the Trustee has agreed to invest in the LGIM Diversified Fund as its DGF allocation.

*LGIM All World Equity Index Fund – GBP Currency Hedged:*

The table below shows a summary of the voting activity carried out on behalf of the Trustee in respect of the Scheme's investment in the LGIM All World Equity Index Fund – GBP Currency Hedged over the year to 31 March 2025.

(Note, LGIM is only able to provide voting data for full-quarter periods, and therefore data for the year to 31 March 2025 has been shown given this is the closest most representative period of the Scheme year to 5 April 2025 available.)

<b>LGIM All World Equity Index Fund – GBP Currency Hedged (c. £4.9m or c. 50.7% of the Scheme as at 5 April 2025)</b>	<b>1 April 2024 – 31 March 2025</b>
<b>Number of companies whose meetings LGIM was eligible to vote at over the year to 31 March 2024</b>	6,611
<b>Number of resolutions LGIM was eligible to vote on over the year to 31 March 2024</b>	63,689
<b>Of the eligible resolutions, percentage that LGIM voted on.</b>	99.8%
Of the resolutions voted, percentage that LGIM voted with management.	79.5%
Of the resolutions voted, percentage that LGIM voted against management.	19.0%
Of the resolutions voted, percentage where LGIM abstained.	1.5%
<b>Percentage of eligible meetings where LGIM voted at least once against management.</b>	59.9%
<b>Percentage of voted resolutions where LGIM voted contrary to the recommendation of their proxy adviser.</b>	10.4%

Note, totals may not sum due to rounding.

LGIM votes by proxy through the Institutional Shareholder Services' ('ISS') electronic voting platform as given the scale of its holdings the 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'). LGIM regularly monitors the proxy voting service provided by ISS through quarterly due diligence meetings.

LGIM are evolving their approach in line with the new regulation and are committed to providing clients access to 'significant vote' information. In determining significant votes, LGIM's Investment Stewardship team takes into account the criteria provided by the Pensions & Lifetime Savings Association (PLSA) guidance. This includes but is not limited to:

- High profile vote which has such a degree of controversy that there is high client and/or public scrutiny;
- Significant client interest for a vote: directly communicated by clients to the Investment Stewardship team at LGIM's annual Stakeholder roundtable event, or where LGIM note a significant increase in requests from clients on a particular vote;
- Sanction vote as a result of a direct or collaborative engagement;
- Vote linked to an LGIM engagement campaign, in line with LGIM Investment Stewardship's 5 year ESG priority engagement themes.

Reviewing this voting information, it is clear to the Trustee that LGIM has used the vast majority of its votes available to it. LGIM showed its independence by voting against management and also contrary to its proxy advisor on a large number of occasions. It has also used its engagements with a number of investee companies to discuss Environmental, Social and Governance topics.

An analysis of the voting information provided by LGIM reveals that significant votes in respect of the All World Equity Index Fund – GBP Currency Hedged included predominantly voting against approving the election of certain directors, especially where the company is not deemed to meet minimum standards with regards to climate risk management

and disclosure of gender and/or racial diversity, and with LGIM advocating for the separation of the roles of CEO and board chair. LGIM also voted against certain climate change plans where there was an absence of quantifiable targets and in favour of climate change plans that were deemed to represent sufficient action.

## How engagement policies have been followed

The Trustee intends to review a summary of the voting and engagement activity taken on its behalf on an annual basis going forwards. The information published by the investment managers on their voting policies has provided the Trustee with comfort that the Scheme's voting and engagement policies have been followed during the Scheme year.

As set out in the SIP, the Trustee expects each investment manager to engage with investee companies on aspects such as performance, strategy, capital structure, management of actual or potential conflicts of interest, risks, corporate governance, social and environmental issues concerning the Trustee's investments.

A summary of the voting and engagement topics that the Trustee expected LGIM to engage on over the year are shown in the following table.

Voting and Engagement topic	Policy followed in the opinion of the Trustee?	Comments
<b>Performance of debt or equity issuer</b>	✓	LGIM 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.
<b>Strategy</b>	✓	<p>LGIM believes 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 LGIM invests in or holds as a counterparty. LGIM have clear voting policies covering each of these topics and have acted on them throughout the Scheme year on behalf of the Trustees.</p> <p>In 2023, LGIM further enhanced its global policy expectations that at least one-third of the directors on non-controlled company boards are women. Additionally in 2023, LGIM expanded its expectations to cover smaller companies, voting against boards where female directors do not make up at least 25% of the total.</p> <p>In the year to April 2025, LGIM voted against the decision from Alphabet Inc. to elect Director John L. Hennessy as LGIM expects a company to have at least one-third women on the board. LGIM views gender diversity as a financial material issue for their clients, with potential implications for the assets that are managed.</p>
<b>Risks</b>	✓	<p>LGIM has clear voting policies on ensuring that companies manage risk effectively and have robust internal controls.</p> <p>As an example of reducing risk, LGIM encourages all audit committee chairs globally to have a financial background and be entirely comprised of independent non-executive directors.</p> <p>LGIM also believes that increased transparency and disclosure can allow for financially material risks to be identified. As an example, LGIM has engaged with Moderna over increasing publicly available information on the how much government financial support it had received in developing and manufacturing Covid-19 vaccines and whether this had affected decision making on products including setting prices. Following in-depth engagement, Moderna released a press note covering this topic, which allowed LGIM to assess the viability of continued investment in the company.</p> <p>In 2025, LGIM voted for Eli Lilly and Company to establish an independent board chair to align with LGIM's policy on effective risk management.</p>

<b>Social and environmental impact</b>	✓	<p>LGIM has engaged with companies that have poor climate scores relative to their size and for those that don't meet minimum standards and if these minimum standards are not met over time, LGIM may look to divest until progress is shown.</p> <p>LGIM also introduced a policy to vote against the largest UK and US companies in 2022 where there was insufficient gender representation on the executive committee, or the board did not include at least one person from an ethnic minority background.</p> <p>In relation with this policy, over the year LGIM supported Deere &amp; Company shareholders and voted for an audit report of civil rights, equity, diversity and inclusion within the company. LGIM views the audit as a transparent way in which the company can demonstrate that its code of conduct is operating as should and that there are no inequalities based on gender or ethnicity.</p>
<b>Corporate governance</b>	✓	<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. These include the voting stances to oppose combined chair/CEO roles and all-male boards globally.</p> <p>LGIM's policy from 2021 is to vote against all elections which combine the roles of CEO and Chair. As some examples of this in practice, LGIM has subsequently voted against electing directors of Meta Platforms Inc, Johnson &amp; Johnson, The Home Depot Inc, alongside several others, in line with this policy. LGIM has reinforced its position on leadership structures across their stewardship activities such as via individual corporate engagements and director conferences.</p>
<b>Conflicts of interest</b>	✓	<p>Remuneration of personnel can lead to conflicts of interest between the principal (shareholder) and agent (management). Over the period under review, LGIM voted against incentive awards which did not have performance conditions, as these awards would not fully align remuneration with company performance.</p> <p>For example, LGIM voted against Banco Santander SA approving the remuneration policy since the awards are permitted to protect below median relative performance, which therefore fails to pay a performance hurdle. Over the year, LGIM voted against Tesla Inc ratifying named executive officers' compensation. There were concerns around a lack of performance criteria and the magnitude of awards and payments suggested</p>
<b>Capital structure</b>	✓	<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.</p> <p>For example, LGIM has a policy 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 weakening of corporate governance as investors ability to influence and hold directors accountable would be reduced.</p> <p>In 2024, LGIM voted for Alphabet Inc. to approve their recapitalisation plan for all stock to have one-vote per share.</p>

## Engagement with investee companies

Exercising voting rights is not the only method of influencing behaviours of investee companies. Furthermore, voting activity is not directly applicable for the Scheme's fixed income investments within the LGIM Investment Grade Corporate Bond All Stocks Fund and the LGIM Matching Core LDI Funds.

Where underlying investments do not carry explicit voting rights (e.g. corporate bonds), the Trustee expects each investment manager to engage with investee companies on the relevant matters outlined in the table above.

LGIM actively engages with the investee companies via direct messages and meetings with management and engagements via email to influence positive ESG practice. 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 is in the process of rolling out its ESG reporting across its asset range and improving the transparency of its ESG research. LGIM's bespoke ESG scores are available for over 17,000 companies, showing the underlying scores for each of Environmental, Social, Governance and Transparency, as well as indicating where this information is sourced.

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.

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 LGIM's Investment Stewardship team. The views expressed by attendees during this event form a key consideration as LGIM continue to develop voting and engagement policies and define strategic priorities.

LGIM has provided an engagement breakdown for the All World Equity Index Fund – GBP Currency Hedged and the Investment Grade Corporate Bond – All Stocks – Index Fund over the Scheme year categorised by Environmental, Social, Governance or Other topics. This is detailed in the table below:

Fund	Total Engagements	No. Unique Companies Engaged	Environmental	Social	Governance	Other
<b>All World Equity Index Fund – GBP Currency Hedged</b>	2,242	1,471	1,626	483	260	152
<b>Investment Grade Corporate Bond – All Stocks – Index Fund</b>	364	164	228	66	108	79

Totals may not sum as engagements may fall under more than one heading.

LGIM is not able to provide engagement information for the Matching Core Fund range.

## Extent to which the Trustee's policies have been followed during the year

Having reviewed the actions taken by the investment manager on behalf of the Trustee, the Trustee believes that the investment manager's policies on voting rights (where applicable) and engagement have been implemented appropriately over the year and in line with the investment manager's own policies. The Trustee will continue to monitor the actions taken on its behalf each year, and press for improved information from the investment manager, where relevant.

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.

In the opinion of the Trustee, the wider policies and objectives stated in the SIP have been followed throughout the year for the Hellmann International Forwarders Pension Scheme.

# Risk Warnings

- Past performance is not necessarily a guide to the future.
- The value of investments may fall as well as rise and you may not get back the amount invested.
- Income from investments may fluctuate in value.
- Where charges are deducted from capital, the capital may be eroded or future growth constrained.
- Investors should be aware that changing investment strategy will incur some costs.
- Any recommendation in this report should not be viewed as a guarantee regarding the future performance of the products or strategy.

Our advice will be specific to your current circumstances and intentions and therefore will not be suitable for use at any other time, in different circumstances or to achieve other aims or for the use of others. Accordingly, you should only use the advice for the intended purpose.

