

Implementation Statement

Covering 1 January 2024 to 31 December 2024

1. Background

The Trustee of the Partnerships in Care Limited Pension and Life Assurance Plan (the “Plan”) is required to produce an annual statement to set out how, and the extent to which, the Trustee has followed the Plan’s Statement of Investment Principles (“SIP”) during the previous Plan year. This statement also includes the details of any reviews of the SIP during the year, any changes that were made and reasons for the changes.

A description of the voting behaviour during the year, either by or on behalf of the Trustee, or if a proxy voter was used, also needs to be included within this statement.

This statement should be read in conjunction with the SIP and has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018 and the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019.

A copy of the most recent SIP can be found at <https://members.pensionpal.co.uk/PartnershipsInCarePensions>

2. Voting and Engagement

As noted in the SIP, the Trustee is keen that their investment managers are signatories of the UK Stewardship Code, which they currently are.

The Trustee has elected to invest in pooled funds and the Trustee has delegated to their investment managers the exercise of voting rights. Therefore, the Trustee is not able to direct how votes are exercised and the Trustee has not used proxy voting services over the year. However, the Trustee will consider these policies in all future selections.

The Plan’s funds held over the year are:

- BNY Mellon Real Return Fund
- Columbia Threadneedle Nominal Dynamic LDI Fund
- Columbia Threadneedle Real Dynamic LDI Fund
- PIMCO GIS Income Fund
- LGIM Synthetic Leveraged Equity Fund
- LGIM Absolute Return Bond Fund

The underlined funds either do not hold physical equities or were disinvested over the course of the year, hence there are no voting rights and voting data for the Trustee to report on.

3a. Description of BNY Mellon's (also known as Newton) voting processes

BNY Mellon describe their voting process as follows:

"Newton has established overarching stewardship principles which guide our ultimate voting decision, based on guidance established by internationally recognized governance principles including the OECD Corporate Governance Principles, the ICGN Global Governance Principles, the UK Investment Association's Principles of Remuneration and the UK Corporate Governance Code, in addition to other local governance codes. All voting decisions are taken on a case-by-case basis, reflecting our investment rationale, engagement activity and the company's approach to relevant codes, market practices and regulations. These are applied to the company's unique situation, while also taking into account any explanations offered for why the company has adopted a certain position or policy. It is only in the event that we recognise a material conflict of interest that we apply the vote recommendations of our third-party voting administrator.

Newton seeks to make proxy voting decisions that are in the best long-term financial interests of its clients and which seek to support investor value by promoting sound economic, environmental, social and governance policies, procedures and practices through the support of proposals that are consistent with following four key objectives:

- To support the alignment of the interests of a company's management and board of directors with those of the company's investors;
- To promote the accountability of a company's management to its board of directors, as well as the accountability of the board of directors to the company's investors;
- To uphold the rights of a company's investors to effect change by voting on those matters submitted for approval; and
- To promote adequate disclosure about a company's business operations and financial performance in a timely manner.

In general, voting decisions are taken consistently across all Newton's clients that are invested in the same underlying company. This is in line with Newton's investment process that focuses on the long-term success of the investee company. Further, it is Newton's intention to exercise voting rights in all circumstances where it retains voting authority.

All voting opportunities are communicated to Newton by way of an electronic voting platform.

The Responsible Investment team reviews all resolutions for matters of concern. Any such contentious issues identified may be referred to the appropriate global fundamental equity analyst or portfolio manager for comment. Where an issue remains contentious, Newton may also decide to confer or engage with the company or other relevant stakeholders.

An electronic voting service is employed to submit voting decisions. Each voting decision is submitted via the electronic voting service by a member of the Responsible Investment team but can only be executed by way of an alternate member of the team approving the vote within the same system.

Members of certain BNY Mellon operations teams responsible for administrative elements surrounding the exercise of voting rights by ensuring the right to exercise clients' votes is available and that these votes are exercised.

Where we plan to vote against management on an issue, we may seek to engage with the company on a best-effort basis and depending on the significance of our holding, to share our concerns and to provide an opportunity for our concerns to be allayed. In such situations, we only communicate our voting intentions ahead of the meeting direct to the company and not to third parties. In some cases, depending on the materiality of our holding and the issue of concern, we alert a company via email regarding an action we have taken at its annual general meeting (AGM) to explain our thought process. We may then hold a call with the board/investor relations teams to gain a better understanding of the situation and communicate further. This can often be in tandem with the global equity analyst.

3b. Summary of voting behaviour over the year

	Summary Info
Manager name	Newton Investment Management Limited
Fund name	BNY Mellon Real Return Fund
Approximate value of trustees' assets	c.£4.8m as at 31 December 2024
Number of equity holdings in the fund	72
Number of meetings eligible to vote	72
Number of resolutions eligible to vote	1,035
% of resolutions voted	99.2%
% of resolutions voted with management	94.4%
% of resolutions voted against management	5.6%
% of resolutions abstained	0.0%
% of meetings with at least one vote against management	35.0%
% of resolutions voted contrary to the proxy adviser recommendation	4.9%

3c. Most significant votes over the year

BNY Mellon define their process for determining the “most significant” votes as follows:

“Newton’s significant holdings universe is determined based on the proportion of a shares of investee companies held, as well as the size of the investment based on its value above certain thresholds. The significant votes will be drawn from this universe and are defined as votes that are likely to generate significant scrutiny from end clients or other stakeholders. They may relate to resolutions that receive a particularly high proportion of dissent from investors or involve a corporate transaction or resolutions raised by shareholders.”

Below are samples of the significant votes made by BNY Mellon over the period to December 2024.

Company name	AstraZeneca PLC
Date of vote	11-Apr-24
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.01%
Summary of the resolution	Approve Remuneration Report
How you voted	FOR
Where you voted against management, did you communicate your intent to the company ahead of the vote?	NA
Rationale for the voting decision	We decided to support the CEO pay package based on the CEO's proven track record of creating significant value for shareholders and turning around a company once considered beyond recovery. For many years, he has been compensated below global peers in the industry, despite his accomplishments, and has also hinted at possibly leaving previously. At this juncture, where execution is critical, we want to avoid any potential disruptions that a change in leadership might bring. Our decision to support CEO pay aligns with our broader investment case for AZ, as we believe under Pascal's leadership, the company is well-positioned to continue executing on its strategic initiatives and delivering value to shareholders.
Outcome of the vote	95.3% For
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	The level of support behind this vote signifies shareholder confidence in executive leadership at this juncture. It also brings the company closer to global peers regarding executive pay. We will continue to monitor performance to ensure it aligns with our interests as shareholders.
On which criteria have you assessed this vote to be "most significant"?	We deem this vote as significant due to its strategic importance, impact on shareholder value, risk of leadership disruption, industry benchmarking, and strong shareholder support. It aligns with our investment case, emphasizing the need to retain and compensate effective leadership.

Company name	Shell Plc
Date of vote	21-May-24
Approximate size of fund's/mandate's holding as at the date of the vote (as % of portfolio)	1.76%
Summary of the resolution	Advise Shell to Align its Medium-Term Emissions Reduction Targets Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement
How you voted	AGAINST
Where you voted against management, did you communicate your intent to the company ahead of the vote?	NA
Rationale for the voting decision	We did not support a shareholder proposal for a report on GHG (greenhouse gas) emission-reduction targets aligned with the Paris Agreement as we believed the company has disclosed enough information for shareholders to assess the related risks. Moreover, the company has disclosed a partial Scope 3 target which is considered an appropriate response to the proponent's asks.
Outcome of the vote	81.4% AGAINST
Implications of the outcome eg were there any lessons learned and what likely future steps will you take in response to the outcome?	While we do find some merits to the proponent's asks and legitimate concerns, aligning Scope 3 targets at Shell to a 1.5 degree scenario would mean a significant loss of customers to competitors. Such a decision is best in the hands of management, and the disclosure of a partial Scope 3 target shows some responsiveness from the company to our concerns, tackling mainly the emissions it directly has control of. Shareholders have signalled a significant buy-in to management's strategy
On which criteria have you assessed this vote to be "most significant"?	As a significant GHG emitter, it is critical for Shell to have a credible transition plan