

# Clyde Bergemann Power Group Pension Scheme - Implementation Statement

## Statement of Compliance with the Clyde Bergemann Power Group Pension Scheme's Stewardship Policy for the year ending 28 February 2025.

### Introduction

This is the Trustee's statement prepared in accordance with the requirements of the Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019. This statement sets out how the Trustee has complied with the Scheme's Stewardship Policy (as set out in the Statement of Investment Principles) during the period from 1<sup>st</sup> March 2024 to 28<sup>th</sup> February 2025. It also describes the voting behaviour on behalf of the Trustee, including the most significant votes cast on its behalf during that period.

### Stewardship policy

The Trustee's Stewardship (voting and engagement) Policy sets out how the Trustee will behave as an active owner of the Scheme's assets which includes the Trustee's approach to;

- the exercise of voting rights attached to assets; and
- undertaking engagement activity, including how the Trustee monitors and engages with its investment managers and any other stakeholders.

The Trustee's Stewardship Policy is subject to periodic review at least every three years and more frequently as required in line with the Scheme's Statement of Investment Principles (SIP). The most recent review was completed on 27 June 2023.

You can review the Scheme Stewardship Policy which can be found within the Scheme's Statement of Investment Principles, at [Revised Statement Of Investment Principles 2023 | Clyde Bergemann \(cbpgpensionscheme.co.uk\)](https://www.cbpgpensionscheme.co.uk/Revised-Statement-Of-Investment-Principles-2023-Clyde-Bergemann)

The Trustee has delegated voting and engagement activity in respect of the underlying assets to the Scheme's investment managers. The Trustee believes it is important that their investment managers take an active role in the supervision of the companies in which they invest, both by voting at shareholder meetings and engaging with the management on issues which affect a company's financial performance.

### Policy Implementation

The Trustee's own engagement activity is focused on dialogue with the Scheme's investment managers which is undertaken in conjunction with their investment advisers. The Trustee meets periodically with its managers and the Trustee consider managers' exercise of their stewardship both during these meetings and through reporting provided by its investment adviser.

The Trustee also monitors its compliance with its Stewardship Policy on a regular basis and is satisfied that they have complied with the Scheme's Stewardship Policy over the last year.

### Voting activity

The Trustee seeks to ensure that its managers are exercising voting rights. The Trustee invests in equity assets through several different funds managed by Legal and General Investment Management ('LGIM'). The Trustee's investment manager has reported on how votes were cast in each of these mandates as set out in the table below.

## LGIM

LGIM Index Fund	Japan Equity	Europe (ex UK) Equity	North America Equity	Asia Pacific (ex Japan) Equity	UK Equity	FTSE RAFI All World Equity
Proportion of Scheme's assets (as at 28 Feb 2025)	1.1%	2.1%	2.2%	0.9%	5.2%	19.1%
No. of meetings eligible to vote at during the year	492	504	628	448	722	3,411
No. of resolutions eligible to vote on during the year	5,979	8,700	8,318	3,246	10,188	38,104
% of resolutions voted	100.0%	99.7%	99.1%	100.0%	100.0%	99.7%
% of resolutions voted with management	89.7%	81.5%	63.8%	74.9%	94.0%	79.8%
% of resolutions voted against management	10.3%	18.0%	35.6%	25.0%	6.0%	1.1%
% of resolutions abstained	0.0%	0.5%	0.6%	0.1%	0.0%	1.1%
% of meetings with at least one vote against management	67.5%	80.3%	98.1%	73.4%	40.3%	65.7%

**Significant votes**

The Trustee has asked its managers to report on the most significant votes cast within the portfolios they manage on behalf of the Trustee. Managers were asked to explain the reasons why votes were significant, the size of the position in the portfolio, how they voted, any engagement the manager had undertaken with the company and the outcome of the vote. From the managers' reports, and with assistance from their investment advisor, the Trustee has identified the following votes as being of greater relevance to the Scheme.

## LGIM

Date	Company	Subject	Manager's vote and rationale	Outcome
25/04/24	London Stock Exchange Group plc (UK Equity Fund)	Governance – Approve Remuneration Policy	<b>For</b>	<b>Vote passed</b> - LGIM overrode their custom vote policy on the basis of the engagement they had with the company resulting in improvements to the proposals initially discussed.
10/12/2024	Microsoft Corporation (North America Equity Fund)	Governance – Report on AI Data Sourcing Accountability	<b>For</b>	<b>Vote Failed</b> - A vote FOR this resolution was 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.
16/05/2024	Adidas AG (Europe ex-UK Equity Fund)	Diversity – Re-elect Thomas Rabe to the Supervisory Board Until 2025 AGM	<b>Against</b> - LGIM expects a company to have a diverse board, with at least one-third of board members being women.	<b>N/A</b> - LGIM will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress.
19/06/2024	Subaru Corp. (Japan Equity Fund)	Governance – Elect Director Tomomi Nakamura	<b>Against</b> - A vote against is applied due to the lack of meaningful diversity on the board.	<b>N/A</b> - LGIM will continue to engage with investee companies, publicly advocate their position on this issue and monitor company and market-level progress.

30/10/2024	BHP Group Limited (Asia Pacific Equity Fund)	Environment – Approve Climate Transition Action Plan	<b>For</b> – in line with management recommendation	<b>N/A</b> - The critical minerals that mining companies provide are essential to the energy transition. BHP has made significant strides in carrying out its core role in the transition and has demonstrated this through the substantial alignment of its Climate Transition Action Plan (CTAP) with LGIM's framework for assessing mining company transition plans. Therefore, LGIM will be supporting BHPs CTAP and continue to engage with BHP to ensure resilience.
21/05/2024	Shell Plc (RAFI All World Equity Fund)	Environmental - Approve the Shell Energy Transition Strategy	<b>Against</b>	<b>Vote Passed</b> – LGIM acknowledge the substantive progress the company has made in respect of climate related disclosure over recent years. Nevertheless, considering the revisions made to the Net Carbon Intensity (NCI) targets, coupled with the ambition to grow its gas and LNG business this decade, they expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050.

LGIM voted against management across a wide range of topics including director elections, diversity and climate-related issues. In relation to climate, and as part of their Climate Impact Pledge, LGIM have made a public call for high quality and credible transition plans to be subject to a shareholder vote. They take an active role when engaging with companies to better understand the reasons behind a resolution and vote against the majority if they believe a better outcome can be achieved.

### Engagement activity

The Trustee aims to hold meetings with the Scheme's investment managers on a periodic basis where, if appropriate, stewardship issues are discussed in further detail.

### Summary of manager engagement activity

LGIM produce reports on their wider stewardship activity over the year detailing their engagement activity across their entire range of funds. The following tables summarise the key engagement activity for the 12-month period ending 31/12/2024.

## LGIM

Topic engaged on	Number of times topic was engaged
Environmental	3,404
Social	445
Governance	305
Other	17

Of the topics the managers engaged with companies on over 2024/25, LGIM frequently engaged on topics surrounding climate change, board composition and executive remuneration. The main methods of engagement were management meetings, shareholder calls and AGMs.

**Engagement Activity**

The Trustees investment manager has made use of the services of the following proxy voting advisor over the Scheme year:

Manager	Proxy Advisor used
LGIM	In-house custom voting policy in conjunction with ISS 'ProxyExchange' platform.

**Review of policies**

The Trustee has not undertaken a formal review of its investment manager's Responsible Investment ("RI") policies over the reporting period. The Trustee's investment advisors provide the Trustee with a regular assessment of the managers' RI capabilities. The Trustee is considering plans to conduct an annual review of the managers' engagement policies and how they have been implemented.

The Trustee and its advisors remain satisfied that the responsible investment policies of the managers and, where appropriate, the voting policies remain suitable for the Scheme.