

Edmundson Electrical Limited Pension Scheme

Annual Engagement Policy Implementation Statement – March 2025

1. Introduction

This statement sets out how, and the extent to which, the Engagement Policy in the Statement of Investment Principles ('SIP') produced by the Trustee Directors ('the Trustees') have been followed during the year running from 1 April 2024 to 31 March 2025 (the 'Scheme Year'). This statement has been produced in accordance with The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations 2018, the subsequent amendment in The Occupational Pension Schemes (Investment and Disclosure) (Amendment) Regulations 2019 and the guidance published by the Pensions Regulator.

This statement is based on, and should be read in conjunction with, the relevant versions of the SIP that were in place over the Scheme Year: the SIP dated March 2023 (covering the period between 1 April 2024 and 31 October 2024) and the SIP dated November 2024 (covering the period between 1 November 2024 and 31 March 2025).

Sections 2 and 3 of this statement set out the investment objectives of the Scheme and any review of the SIP made over the year, respectively.

Sections 4, 5 and 6 include information on the engagement and key voting activities of the underlying investment managers of the Scheme and sets out how the Scheme's engagement and voting policy has been followed during the Scheme Year. **The Trustees can confirm that all policies in the SIP on engagement in relation to the Scheme's assets have been followed during the Scheme Year.**

2. Investment Objectives of the Scheme

The Trustees believe it is important to consider the policies in place in the context of the investment objectives they have set. The objectives of the Scheme included in the SIP are as follows:

- Ultimately, to secure all liabilities through the purchase of a bulk annuity;
- To improve the financial position of the Scheme through investment returns, to the point where the first objective can be achieved within an appropriate timeframe without recourse to additional contributions;
- To limit the amount of investment risk that is being run to the level that is considered necessary in order to achieve the level of investment return that is required, and to do this through gradual de-risking of the assets when the funding position permits it.

Given the nature of the liabilities, the investment horizon of the Scheme is potentially long-term (i.e. several decades), although opportunities for risk transfer (e.g. by purchase of bulk annuities) could reduce the time horizon materially. The Trustees have not set a formal target for achieving buyout but anticipate it being prior to 2030.

In setting these objectives the Trustees have taken into account the Sponsor's ability to make contribution payments and attitude towards the size and incidence of these payments, and have taken into account the corridor agreement which specifies actions to

be taken in the event that the funding level of the Scheme falls below 90% or exceeds 110% on a technical provisions basis.

3. **Review of the SIP**

The Trustees reviewed and updated the SIP in November 2024 following strategic changes to the investment strategy taking formal advice from their Investment Adviser (Mercer Limited ("Mercer")). The strategic changes were made with reference to the Trustees de-risking plan in response to funding level improvements.

A copy of the SIP is available on request and also available on the following website:

https://www.marloweholdings.co.uk/wp-content/uploads/2024/12/Edmundson_SIP-November-2024-Type-signed.pdf

4. **Policy on ESG, Stewardship and Climate Change**

The Scheme's SIP includes the Trustees' policy on Environmental, Social and Governance ('ESG') factors, stewardship and Climate Change. This policy sets out the Trustees' beliefs on ESG and climate change and the processes followed by the Trustees in relation to voting rights and stewardship.

In order to establish these beliefs and produce this policy, the Trustees undertook investment training provided by their investment consultant on responsible investment which covered ESG factors, stewardship, climate change and ethical investing. This formal training was provided in 2019. In addition, an Investment Subcommittee receives regular updates on current investment topics and over the course of the year this included updates on ESG related issues. The Trustees keep their policies under regular review.

The Trustees are satisfied that their engagement policy was followed during the year. The following summarises how the Trustees' engagement and voting policies were followed and implemented during the year accordingly.

5. **Engagement**

As set out in the SIP, as part of the Trustees' ongoing review of their investment managers, they will review how ESG, climate change and stewardship are integrated within the investment managers' investment processes and in the monitoring process. The investment managers are expected to provide reporting on a regular basis, at least annually, on ESG integration progress, stewardship monitoring results, and climate-related metrics. The Trustees will consider the ESG policies of any potential new manager as part of the selection process.

- An investment performance report was reviewed by the Trustees on a quarterly basis – this included ratings (both general and specific ESG) from the investment advisers. The investment performance report includes how each investment manager is delivering against their specific mandates.
- The Trustees also received details of relevant engagement activity for the year from the Scheme's investment managers, directly or via their investment adviser, as part of regular reporting and presentations.

- The Scheme's investment managers engaged with companies over the period under review on a wide range of different issues, including ESG matters. This included engaging with companies on climate change to ensure that companies were making progress in this area and better aligning themselves with the wider objectives on climate change in the economy. The investment managers provided examples of instances where they had engaged with companies they were invested in or about to invest in which resulted in a positive outcome. These engagement initiatives are driven mainly through regular engagement meetings with the companies that the investment managers invest in or by voting on key climate-related resolutions at companies' Annual General Meetings.

6. **Voting Activity**

The Trustees do not hold investments directly but instead are invested in pooled funds (or private equity partnerships) and they do not have voting rights in relation to individual companies. The Trustees have therefore, effectively, delegated their engagement and voting rights to the pooled fund investment managers, who cast votes on behalf of the pooled fund. As a result, the Trustees do not use the direct services of a proxy voter as this is not relevant, although the investment managers may employ the services of proxy voters in exercising their voting rights on behalf of the pooled funds in which the Trustees invest. Nonetheless, the Trustees review from time to time, the voting policies of the managers including what they consider to be significant votes. The Trustees have defined significant votes as the top five holdings by exposure which are also part of the respective investment manager's ongoing engagement with a company or where the investment manager has challenged the voting proposal of their proxy or has voted against management.

Engagement initiatives are driven by investment managers mainly through regular engagement meetings with the companies in which they invest or by voting on key resolutions at companies' Annual General Meetings.

Each investment manager has been asked to confirm key voting activity in relation to the pooled funds in which the Trustees invest over the year to 31 March 2025. The tables on the following pages sets out a summary of the key voting activity.

Ruffer – Absolute Return

- Ruffer uses Institutional Shareholder Services ('ISS') to process votes and provide proxy voting research on its behalf. Ruffer has developed its own internal voting guidelines and, while taking into account issues raised by ISS Ruffer does not delegate or outsource stewardship activities when deciding how to vote on its clients' shares.
- There have been 68 votable meetings over the year to 31 March 2025, of which Ruffer has voted in all of these meetings on behalf of the Trustees. In these meetings, there were a total of 1,134 votable items.
- Ruffer has participated in the vote for all votable items. Of these votes participated, Ruffer voted against 3% of the proposals.

Significant Votes Examples The following significant votes (as defined above) are the largest by allocation in the Ruffer Absolute Return Fund.			
Company	Resolution details	How the manager voted	Reason for manager's vote
Bank of America	Summary of the Resolution: Energy transition Date of the vote: 24 April 2024	Vote: Against (in line with management) Outcome: Resolution Failed Weight: 0.15% of total Fund value*	Ruffer voted against ISS recommendation and in line with management for the request of a report on clean energy supply financing ratio. This was because Ruffer believed that the Bank of America was committed to its Net Zero targets and provides much of the necessary data to support this. While Ruffer supports enhanced disclosures more broadly, the proponent's required ratio is already available via a third-party (Bloomberg). Hence, in support of greater uniformity within the responsible investing space, Ruffer voted against this proposal as it was the best option when compared to having the company itself calculating this ratio with a possibly varying methodology.
Amazon	Summary of the Resolution: Human labour rights Date of the vote: 22 May 2024	Vote: For (against management) Outcome: Resolution Failed Weight: 0.57% of total Fund value*	Ruffer voted in favour of a shareholders resolution requesting the Board of Directors to commission an independent third-party report, assessing Amazon's customer due diligence process to determine whether customers' use of its products and services with surveillance, computer vision or cloud storage capabilities contributes to human rights violations. Ruffer's support for the resolution is based on the belief that such a report may highlight some concerning issues that may protect Amazon from future reputational damage.
Amazon	Summary of the Resolution: GHG emissions Date of the vote: 22 May 2024	Vote: For (against management) Outcome: Resolution Failed Weight: 0.57% of total Fund value*	Ruffer voted in favour of a shareholder proposal requesting disclosure of all material scope 3 GHG emissions. Amazon currently only discloses scope 3 emissions for its own brand products while peers, such as Walmart and Target, disclose scope 3 emissions for all product sales. Ruffer supports the request for better disclosure around scope 3 emissions and believes this is the first step towards setting meaningful targets to reduce carbon emissions.
ExxonMobil	Summary of the Resolution: Diversity, Equity and Inclusion Date of the vote: 29 May 2024	Vote: For (against management) Outcome: Resolution Failed	Ruffer voted in favour of a shareholder resolution requesting a report on median gender/racial pay gaps. Ruffer believes that publishing the unadjusted pay gap statistic could increase accountability for diversity, inclusion and equity and provide shareholders with useful information about how effectively management is assessing and mitigating risks related to its employees. Median and adjusted

		Weight: 0.15% of total Fund value*	gender/ethnicity/disability pay gap reporting is best practice and is a regulatory requirement in the UK. Therefore, Ruffer voted in favour of this proposal.
Deere & Co	Summary of the Resolution: Company conduct, culture and ethics Date of the vote: 26 February 2025	Vote: Against (in line with management) Outcome: Resolution Withdrawn Weight: 0.28% of total Fund value*	Ruffer voted against a shareholder proposal seeking a report on the effectiveness of Deere's efforts to create a meritocratic workplace. Ruffer's decision to not support this proposal was based on two reasons. First, Deere provide detailed disclosure on its workforce in its data book; second, Deere refers to its suite of policies relating to human rights, including its 'Global Policy Against Discrimination & Harassment' last updated in June, 2022. Given Deere's transparency, disclosure, and its core values, Ruffer believed there was little merit in requesting additional and probably duplicative information from Deere.

*Weight reflects percentage of Ruffer's Absolute Return Fund total value as at the date of the vote.

The activities of the remaining investment managers including private equity are set out below:

▪ **M&G – High Lease to Value ('HLV') Property**

The Trustees of the Edmundson Electrical Limited Pension Scheme retained units in M&G's "SPIF" high lease to value property fund for part of the Scheme Year.

- M&G are direct investors and owners of buildings in this property fund, and as such do not deal with companies. While they engage with occupiers in buildings on ESG issues, the fund does not have voting rights. For this reason, the engagement activity, as defined over this report, does not apply to this mandate in relation to voting.
- M&G instead employs a responsible property investment strategy which takes into account environmental risk assessments as part of its due diligence. Additionally, M&G engages with its tenants on ESG initiatives such as net zero targets and energy efficiency of the underlying assets. M&G also incentivises and keeps track of tenants projects to upgrade the buildings.

▪ **Royal London Asset Management ('RLAM') – Buy and Maintain Credit**

- This is a fixed income mandate, therefore this manager does not vote at AGMs, but rather at Extraordinary General Meetings. Nonetheless, RLAM directly engages with companies and does not use a third party to vote on its behalf.
- RLAM apply a bespoke approach to integrating ESG. Notwithstanding, RLAM also has access to third party data and research to help inform part of their ESG risk analysis. RLAM's preponderance of secured and covenanted bonds grants them the ability to exercise a significant degree of pre-emptive control over the structure and features of a bond, such as a change in ownership. It also means RLAM is involved in a disproportionate level of bond holder voting than is typical for unsecured portfolios.

- While as bond holders RLAM does not have equity holder voting rights, during the 12 month period to the end of March 2025, RLAM engaged with 39 separate issuers within this portfolio on 95 occasions. Topics of engagement included climate change (transition and physical risk), biodiversity, health, governance (remuneration, board and corporate governance) and social and financial inclusion.
- **Insight – Liability Driven Investments ('LDI')**
 - The Insight LDI funds consist of UK government issued debt rate and inflation exposures, interest rate swaps and inflation swaps. As such voting is not relevant and engagement activities are not significant.
- **Patria (formerly Abrdn) – Private Equity**
 - Patria does not engage directly with portfolio companies and instead engages with its general partners ('GPs') through the use of their Annual ESG Survey. The surveys are sent to GPs to monitor overall ESG performance, incorporation of ESG processes and the level of interaction with portfolio company management. Patria evaluates GPs based on responses to the survey and engages with GPs on areas where responses are viewed unsatisfactory. Patria also share bespoke side letter requirements with GPs and has an integrated approach where deals can be declined on ESG grounds.