

H+H Celcon Pension Fund Implementation Statement Year Ending 5 April 2025

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
L&G	Legal & General Investment Management
Fund	H+H Celcon Pension Fund
Fund Year	6 April 2024 to 5 April 2025
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

This Implementation Statement reports on the extent to which, over the Fund Year, the Trustee has followed its policy relating to the exercise of rights (including voting rights) attaching to the Fund's investments. In addition, the Implementation Statement summarises the voting behaviour of the Fund's investment managers and includes details of the most significant votes cast and the use of the services of proxy voting advisers.

In preparing this statement, the Trustee has considered guidance from the Department for Work & Pensions which was updated on 17 June 2022, as well as the expectations set out in the General Code of Practice.

Relevant investments

The Fund's assets are invested in pooled funds and some of those funds include an allocation to equities. Where equities are held, the investment manager has the entitlement to vote.

At the end of the Scheme Year, the Scheme invested in the following fund which included an allocation to equities:

- L&G Future World Global Equity Index Fund
- L&G Future World Multi-Asset Fund

The Trustee policy relating to the exercise of rights

Summary of the policy

The Trustee's policy in relation to the exercise of rights (including voting rights) attaching to the investments is set out in the SIP, and a summary is as follows:

- The Trustee believes that good stewardship can help create, and preserve, value for companies and markets as a whole.
- The Trustee invests in pooled investment vehicles and therefore accepts that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by an investment managers own policies on such matters.
- When selecting a fund, the Trustee considers amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the fund.
- When considering the ongoing suitability of an investment manager, the Trustee (in conjunction with its Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustee will normally select investment managers who are signatories to the UN Principles for Responsible Investment (UNPRI).
- If it is identified that a fund's investment manager is not engaging with companies the Trustee may look to replace that fund. However, in the first instance, the Trustee would normally expect its Investment Adviser to raise the Trustee's concerns with the investment manager.

Has the policy been followed during the Fund Year?

The Trustee's opinion is that its policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Fund Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustee's belief regarding the importance of good stewardship.
- The Fund's invested assets remained invested in pooled funds over the period.

- During the Fund Year, the Trustee introduced an allocation to the L&G Matching Core Real Short Fund and L&G Matching Core Fixed Short Fund. These funds do not include an allocation to equities and therefore consideration of the exercise of voting rights was not required as part of the selection process.
- In addition, during the Fund Year, the Trustee introduced an allocation to the L&G Future World Multi-Asset Fund. The Trustee considered the ESG characteristics of the fund before selecting it and this included consideration of the investment manager's approach towards the exercise of voting rights.
- During the Fund Year, the Trustee considered the voting records of the investment managers over the period ending 31 March 2024.
- Since the end of the Fund Year, an updated analysis of the voting records of the investment managers based on the period ending 31 March 2025* has been undertaken as part of the work required to prepare this Implementation Statement. A summary of the key findings from that analysis is provided below.
- The investment manager used by the Fund is a signatory to the UNPRI.

**Note the voting analysis was over the year ending 31 March 2025 because this was the most recent data available at the time of preparing this statement. The Trustee is satisfied that the analysis provides a fair representation of the investment manager voting approach over the Fund Year.*

The investment manager's voting record

A summary of the investment managers voting record is shown in the table below.

Investment Manager	Number of votes	Split of votes:		
		For	Against / withheld	Did not vote/ abstained
L&G	120,000	76%	23%	1%

Notes

These voting statistics are based on the manager's full voting record over the 12 months to 31 March 2025 rather than votes related solely to the funds held by the Fund.

Use of proxy voting advisers

Investment Manager	Who is their proxy voting adviser?	How is the proxy voting adviser used?
L&G	Several advisers	Uses ISS for research and voting administration. May also use research from Glass Lewis and IVIS (part of the Investment Association). However, voting decisions ultimately remain in-house.

The investment manager's voting behaviour

The Trustee has reviewed the voting behaviour of the investment manager by considering the following:

- broad statistics of its voting record such as the percentage of votes cast for and against the recommendations of boards of directors (i.e. "with management" or "against management");
- the votes it cast in the year to 31 March 2025 on the most contested proposals in nine categories across the UK, the US and Europe;
- the investment manager policies and statements on the subjects of stewardship, corporate governance and voting.

The Trustee has also compared the voting behaviour of the investment manager with its peers over the same period.

Further details of the approach adopted by the Trustee for assessing voting behaviour are provided in the Appendix.

The Trustee's key observations are set out below.

Voting in significant votes

Based on information provided by the Trustee's Investment Adviser, the Trustee has identified significant votes in nine separate categories. The trustee considers votes to be more significant if they are closely contested. i.e. close to a 50:50 split for and against. A closely contested vote indicates that shareholders considered the matter to be significant enough that it should not be simply "waved through". In addition, in such a situation, the vote of an individual investment manager is likely to be more important in the context of the overall result.

The five most significant votes in each of the nine categories based on shares held by the Fund's investment manager are listed in the Appendix. In addition, the Trustee considered the investment manager's overall voting record in significant votes (i.e. votes across all stocks not just the stocks held within the funds used by the Fund).

Analysis of voting behaviour

L&G

The Trustee notes that L&G's voting record continues to compare very favourably with its peers. As in previous years, analysis of L&G's voting record identifies clear evidence that the manager is willing to vote against company directors on a broad range of issues. It is unsurprising that the manager has committed to remaining a member of NZAM, irrespective of the review's outcome.

While L&G has come under some criticism from the campaign group Make My Money Matter, the Trustee is satisfied that L&G is among the most proactive on tackling climate-related proposals. Indeed, the manager has opposed several climate-related proposals based on an assessment that proposals put forward by a company's management did not go far enough and has supported shareholder proposals designed to tackle a range of ESG issues.

Conclusion

Based on the analysis undertaken, the Trustee has no material concerns regarding the voting records of L&G.

The Trustee will keep the voting actions of the investment manager under review.

Agreed by the Trustee of H+H Celcon Pension Fund

Significant votes

The table below records how the Fund's investment manager voted in the most significant votes identified by the Trustee.

Company	ISIN	Meeting Date	Proposal	Votes For (%)	Votes Against (%)	L&G
Audit & Reporting						
AKER BP ASA	N00010345853	30/04/2024	Allow the Board to Determine the Auditor's Remuneration	79	21	Against
SWISS LIFE HOLDING	CH0014852781	15/05/2024	Appoint the Auditors	80	19	Against
TOTALENERGIES SE	FR0000120271	24/05/2024	Appoint EY as the Auditors of Sustainability Reporting	75	19	For
SALESFORCE.COM INC	US79466L3024	27/06/2024	Appoint the Auditors	81	18	Against
COMPAGNIE FINANCIERE RICHEMONT SA	CH0012731458	11/09/2024	Appoint the Auditors	79	18	Against
Shareholder Capital & Rights						
FERREXPO PLC	GB00B1XH2C03	23/05/2024	Issue Shares with Pre-emption Rights	30	70	For
EVOKE PLC	GI000A0F6407	13/05/2024	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	72	28	For
ENERGEAN PLC	GB00BG12Y042	23/05/2024	Issue Shares for Cash for the Purpose of Financing an Acquisition or Other Capital Investment	76	24	For
BOUYGUES SA	FR0000120503	25/04/2024	Authorise Share Repurchase	78	22	Against
ORANGE S.A	FR0000133308	22/05/2024	Approve Issue of Shares for Employee Saving Plan	19	78	Against
Pay & Remuneration						
ALCON AG	CH0432492467	08/05/2024	Approve the Remuneration Report	49	49	Against
PALO ALTO NETWORKS	US6974351057	10/12/2024	Advisory Vote on Executive Compensation	50	49	Against
WARNER BROS DISCOVERY INC	US25468Y1073	03/06/2024	Advisory Vote on Executive Compensation	53	46	Against
3M COMPANY	US88579Y1010	14/05/2024	Advisory Vote on Executive Compensation	45	54	Against
CONAGRA BRANDS INC.	US2058871029	18/09/2024	Advisory Vote on Executive Compensation	45	55	Against
Constitution of Company, Board & Advisers						
UBER TECHNOLOGIES INC	US90353T1007	06/05/2024	Elect David I. Trujillo - Non-Executive Director	56	44	Against
ALEXANDRIA R E EQUITIES INC	US0152711091	14/05/2024	Elect James P. Cain - Non-Executive Director	57	43	Against
CBOE GLOBAL MARKETS INC	US12503M1080	16/05/2024	Right to Call Special Meeting	60	39	Against
THE COCA-COLA COMPANY	US1912161007	01/05/2024	Elect Thomas S. Gayner - Non-Executive Director	61	39	Against
CLARKSON PLC	GB0002018363	09/05/2024	Re-elect Dr. Tim Miller - Non-Executive Director	62	38	Against
Merger, Acquisition, Sales & Finance						
HIKMA PHARMACEUTICALS PLC	GB00B0LCW083	25/04/2024	Approval of Buyback Waiver	56	43	Against
HOCHSCHILD MINING PLC	GB00B1FW5029	13/06/2024	Approve of the Rule 9 Waiver	63	37	Against
SYMRISE AG	DE000SYM9999	15/05/2024	Authority to issue bonds with warrants and/or convertible bonds; create a conditional capital and related amendments to the articles of association	86	14	For
APAX GLOBAL ALPHA LIMITED	GG00BWWYMV85	01/05/2024	Approve the Winding up of the Company	11	89	Against
RHEINMETALL AG	DE0007030009	14/05/2024	Issue warrants/convertible bonds	92	8	For
Climate Related Resolutions						
REPSOL SA	ES0173516115	09/05/2024	Advisory Vote on the Company's Energy Transition Strategy	70	21	Against
PENNON GROUP PLC	GB00B18V8630	24/07/2024	Climate-Related Financial Disclosures	80	18	Against
TOTALENERGIES SE	FR0000120271	24/05/2024	Opinion on the Sustainability & Climate - Progress Report 2024	94	4	Against
ESSENTIA PLC	GB00B0744359	23/05/2024	Approve the Climate Transition Action Plan	97	2	For
UNILEVER PLC	GB00B10R2P78	01/05/2024	Say on Climate	91	2	For
Other Company Resolutions						
BOUYGUES SA	FR0000120503	25/04/2024	Approve the Board to Issue Equity Warrants Free of Charge During the Period of a Public Offer for the Company's Shares	73	27	Against
ENERGEAN PLC	GB00BG12Y042	23/05/2024	Meeting Notification-related Proposal	78	22	For
BAE SYSTEMS PLC	GB0002634946	09/05/2024	Approve Political Donations	87	13	For
HALFORDS GROUP PLC	GB00B012TP20	06/09/2024	Approve Political Donations	88	12	For
BRITISH LAND COMPANY PLC	GB0001367019	09/07/2024	Meeting Notification-related Proposal	89	11	For
Governance & Other Shareholder Resolutions						
ABBVIE INC	BRABBVBD001	03/05/2024	Simple Majority Voting	49	51	For
HUMANA INC.	US4448591028	18/04/2024	Introduce Majority Voting for Director Elections	51	49	For
DEXCOM INC	US2521311074	22/05/2024	Transparency in Lobbying	51	48	For
WARNER BROS DISCOVERY INC	US25468Y1073	03/06/2024	Right to Call Special Meetings	52	48	For
CIGNA CORPORATION	US1255091092	24/04/2024	Right to Call Special Meetings	48	51	For
Environmental & Socially Focussed Shareholder Resolutions						
AMERICAN TOWER CORPORATION	US0299122012	22/05/2024	Disclosure of Racial and Gender Pay Gaps	49	51	For
NETFLIX INC	US64110L1061	06/06/2024	Report on Netflix's Use of Artificial Intelligence	43	56	For
QUEST DIAGNOSTICS INCORPORATED	US74834L1008	16/05/2024	Climate Change Targets	42	57	For
CINTAS CORPORATION	US1729081059	29/10/2024	Shareholder Resolution: Political Disclosure	39	60	For
GENERAL MILLS INC	US3703341046	24/09/2024	Report on the use of plastic	39	58	For

Note

Where an investment manager's voting record has not been provided for each fund, reliance is placed on periodic stock holding information to identify votes relevant to the fund. This means it is possible that some of the votes listed above may relate to companies that were not held within a pooled fund at the date of the vote. Equally, it is possible that there are votes not included above which relate to companies that were held within a fund at the date of the vote.

Methodology for determining significant votes

The methodology used to identify significant votes for this statement uses an objective measure of significance: the extent to which a vote was contested - with the most Significant Votes being those which were most closely contested.

The Trustee believe that this is a good measure of significance because, firstly, a vote is likely to be contentious if it is finely balanced, and secondly, in voting on the Trustee's behalf in a finely balanced vote, an investment manager's action will have more bearing on the outcome.

If the analysis were to rely solely on identifying closely contested votes, there is a chance many votes would be on similar topics which would not help to assess an investment manager's entire voting record. Therefore, the assessment incorporates a thematic approach; splitting votes into nine separate categories and then identifying the most closely contested votes in each of those categories.

A consequence of this approach is that the number of Significant Votes is large. This is helpful for assessing a manager's voting record in detail but it presents a challenge when summarising the Significant Votes in this statement. Therefore, for practical purposes, the table on the previous page only includes summary information on each of the Significant Votes.

The Trustee has not provided the following information which DWP's guidance suggests could be included in an Implementation Statement:

- Approximate size of the Fund's holding in the company as at the date of the vote.
- If the vote was against management, whether this intention was communicated by the investment manager to the company ahead of the vote.
- An explanation of the rationale for the voting decision, particularly where: there was a vote against the board; there were votes against shareholder proposals; a vote was withheld; or the vote was not in line with voting policy.
- Next steps, including whether the investment manager intends to escalate stewardship efforts.

The Trustee is satisfied that the approach used ensures that the analysis covers a broad range of themes and that this increases the likelihood of identifying concerns about a manager's voting behaviour. The Trustee has concluded that this approach provides a more informative assessment of an investment manager's overall voting approach than would be achieved by analysing a smaller number of votes in greater detail.

■ Investment manager voting policies

For more information concerning an investment manager's voting policies and rationale, please visit the below links.

[L&G](https://am.landg.com/en-uk/institutional/responsible-investing/investment-stewardship/) – <https://am.landg.com/en-uk/institutional/responsible-investing/investment-stewardship/>