

Annual Implementation Statement

Tomkins 2008 Pension Scheme

Report to 5 April 2024

Introduction

This statement sets out how and the extent to which, in the opinion of the Trustee of the Tomkins 2008 Pension Scheme (“the Scheme”), the Statement of Investment Principles (“SIP”) produced by the Trustee has been followed during the year to 5 April 2024. This statement has been produced in accordance with The Occupational and Personal Pension Schemes (Disclosure of Information) (Amendment and Modification) Regulations 2018 and guidance published by the Pensions Regulator.

Investment Objectives of the Scheme

Defined Benefit Section (“DB Section”)

The Trustee believes it is important to consider the policies in place in the context of the investment objectives they have set. The Trustee’s primary objective is to meet its obligations to the beneficiaries both in the short and long-term, by maximising the probability of the Scheme paying accrued benefits as they become due using the funding assumptions under the ongoing funding basis applying to the Scheme.

The Trustee has the following specific objectives for how this primary objective is to be met.

- To have regard to the likelihood of the Scheme’s insolvency.
- To have regard to the Statutory Funding Objective following the most recent actuarial valuation.
- To have regard to the factors which might contribute to the Company contribution rate rising.
- To have regard to the Company’s investment preferences.
- To consider and implement as appropriate any revised controls deemed necessary in accordance with the Scheme’s risk register.
- To have regard to the extent to which the asset allocation policy in place results in an appropriately diversified portfolio.

The Trustee regards the choice of asset allocation policy as the decision which has most influence on the likelihood that they will achieve the primary objective in part through investment returns. The Trustee has direct responsibility for this decision which is made on the advice of their investment consultant and in consultation with the Company.

Defined Contribution Section (“DC Section”)

For those members of the Main Section who receive DC benefits, the Trustee’s primary objective is to make available a range of investment funds which serve to meet the varying investment objectives and risk tolerances of the members. The Trustee recognizes that the majority of members are likely to be invested in the respective default options and are focused

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on providing appropriate default options. As such, one default strategy is offered to DC members who have not accrued DB benefits, and other to members with previous accrued DB benefits.

The Trustee's policies in relation to the Default Arrangements are:

- The Default Arrangements manages investment risks through a diversified allocation within equity markets, spread geographically across the main developed markets.
- In designing the Default Arrangements, the Trustee has considered the trade-off between expected risk and return. This policy is reviewed regularly to ensure that the design remains appropriate for members and reflects developments in the market.
- The Trustee has also taken into account the needs of members with regards to security, quality, liquidity and profitability of a member's portfolio as a whole. The Trustee has designed the Default Arrangements taking account of the underlying assets.
- If members wish to, they can opt to choose their own investment options at any time from a range that has been agreed by the Trustee. The Trustee monitors performance of the components of the Default Arrangements, relative to objectives, albeit the Trustee will not provide advice to members on their individual choice of investment options.
- Assets in the Default Arrangements are invested in daily traded pooled funds which hold highly liquid assets. The pooled funds are commingled investment vehicles, which are managed by BlackRock and Royal London and are accessed via an investment platform provided by Royal London.
- The selection, retention and realisation of assets within the pooled funds is delegated to these managers in line with the mandates of the funds. They also have full discretion (within the constraints of their mandates) on the extent to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments.

Review of the SIP

During the year to 5 April 2024, the Trustee reviewed the SIP and made some amendments in order to be consistent with Regulations that will be implemented during 2024. These modifications included updating the Trustee's policy in relation to illiquid assets. It was also updated to include the areas chosen by the Trustee as the "most significant votes" to comply with updated guidance. The SIP has been approved and signed on 19 September 2023.

The most updated version of the SIP and DC Default SIP are available at: https://capitalcranfield.com/scheme_documents/tomkins-2008-pension-scheme

Assessment of how the policies in the SIP have been followed for the year to 5 April 2024

The information provided in the table below summarises the work undertaken by the Trustee during the year and sets out how this work has followed the policies in the SIP. The Trustee considers that it has adhered to all of its policies as set out in the SIP over the course of the year.

	SIP content requirement	Summary of Trustee's policy / key extracts from SIP	Summary description and evaluation of work undertaken in the year to 5 April 2024
1	Securing compliance with the legal requirements about choosing investments	<p>Both Sections</p> <p><i>The Scheme is governed by its Trust Deed and Rules which set out all of the benefits in detail and specifies the Trustee's investment powers. The investment powers do not conflict with this Statement. The ultimate responsibility for deciding the Scheme's investment policy lies solely with the Trustee.</i></p> <p><i>In considering the appropriate investments for the Scheme, the Trustee obtains and considers the written advice of their investment consultant.</i></p> <p><i>SIP section 3</i></p>	<p>DB Section</p> <p>The Trustee implemented a full buy-in of the 2008 (Main) Section and the Ruskin/FormFlo Section in November 2022 in order to meet the Trustee's primary objective of maximising the probability of the Scheme paying accrued benefits as they become due. The Trustee also completed a full buy-in of the Retirement Benefits Plan which subsequently merged into the Tomkins 2008 Scheme on 4 April 2023. The SIP currently in force (that reflects the Scheme's investment strategy post buy-in) was that signed by the Trustee in September 2023. There have been no changes to the SIP since then.</p> <p>DC Section</p> <p>During the previous Scheme Year, the Tomkins RBP Plan ("Plan") was merged into the Tomkins 2008 Pension Scheme. By 31 March 2023, the assets were transferred from the Plan to the Scheme, including the Plan AVC Fund which was novated into the Scheme. Written advice in line with Section 36 of the Pensions Act 1995 (as amended) was produced by the DC investment adviser to cover the novation of the AVC Fund and presented during the 29 March 2023 Trustee's meeting. During the 5 March 2024 meeting an update was given the intention of transferring the DC and AVC members into a Master Trust.</p> <p>No changes were made to the Scheme's DC investment strategy over the year to 5 April 2024. However, the Trustee did undertake a default investment review in October 2023 with the assistance of the Scheme's investment consultant.</p>

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	SIP content requirement	Summary of Trustee's policy / key extracts from SIP	Summary description and evaluation of work undertaken in the year to 5 April 2024
2	Kinds of investments to be held	<p>DB Section <i>The Trustee's primary objective is to meet its obligations to the beneficiaries both in the short and long-term, by maximising the probability of the Scheme paying accrued benefits as they become due using the funding assumptions under the ongoing funding basis applying to the Scheme.</i></p> <p>Section 4</p> <p>DC Section <i>For those members of the Main Section who receive DC benefits, the Trustee's primary objective is to make available a range of investment funds which serve to meet the varying investment objectives and risk tolerances of the members.</i></p> <p>SIP section 7.1</p>	<p>DB Section The Trustee monitored its investment strategy over the Scheme Year.</p> <p>The Trustee transacted a full buy-in with Pension Insurance Corporation for the Tomkins 2008 (Main) Section, the Ruskin/FormFlo Section and the Retirement Benefits Plan on 23 November 2022. On 4 April 2023, the Retirement Benefits Plan was merged into the Tomkins 2008 Scheme.</p> <p>DC Section This policy is reviewed regularly to ensure that the design remains appropriate for members and reflects developments in the market.</p> <p>The Trustee undertook a formal triennial investment strategy review in October 2023 with the assistance of the Scheme's investment consultant where the kinds of investment held were considered along with the self select range. No changes were recommended.</p> <p>Investment performance against objectives was reviewed by the Trustee at semi-annual Trustee meetings, as part of the annual review of the Value for Members Assessment (last one presented during the October 2023 meeting) and as part of the last triennial investment strategy review in October 2023.</p>

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	SIP content requirement	Summary of Trustee's policy / key extracts from SIP	Summary description and evaluation of work undertaken in the year to 5 April 2024
3	The balance between different kinds of investments	<p>DB Section <i>The Trustee regards the choice of asset allocation policy as the decision which has most influence on the likelihood that they will achieve the primary objective in part through investment returns.</i></p> <p><i>The Trustee has adopted strategic asset allocation policies for each Section of the DB Scheme. These are laid out in the IPID.</i></p> <p><i>Section 5</i></p> <p>DC Section <i>In designing the Default Arrangements, the Trustee has considered the trade-off between expected risk and return. This policy is reviewed regularly to ensure that the design remains appropriate for members and reflects developments in the market.</i></p> <p><i>DC Default SIP – Section 4.2</i></p>	<p>DB Section As noted above, the Trustee transacted full buy-in contracts for the three Sections mentioned with Pension Insurance Corporation.</p> <p>In addition to the buy-in policies, over the Scheme year the Scheme was invested in nominal and index-linked government bonds that would enable the Trustee to broadly hedge the value of GMP equalisation benefits from changes in interest rate and inflation expectations. The Scheme also held cash in the Trustee Bank Account to cover post buy-in expenses.</p> <p>DC Section The Trustee believes that the currently available range of funds/types of investments available to members continue to be appropriate and provided members with options across the risk/return spectrum to implement the policy.</p> <p>The last formal triennial investment strategy review was presented in October 2023 and included:</p> <ul style="list-style-type: none"> • Membership analysis, to understand the membership profile, how members have been taking their benefits, the level of members making active fund choices; • A review of the default objective, charge level and whether the benefit targeted by the defaults remain appropriate; • A review of the structure of the growth phase and at-retirement phases; • A review of the performance of individual fund components, and lastly; • A review of the current self-select options

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			As a result of this review, although noting some minor improvements that could be done, no changes were made to the current default arrangement.
4	Risks, including the ways in which risks are to be measured and managed	<p>DB Section <i>Before deciding on the level of investment risk relative to the liabilities, the Trustee receives advice from the Investment Consultant and Scheme Actuary, and hold discussions with the Company. In particular, the Trustee carefully considers the following risks to be financially material over the expected lifetime of the Scheme: [a list of risks is set out in sub-section 4.7 of the SIP].</i></p> <p><i>SIP section 4</i></p> <p>DC Section <i>The Trustee recognises that there are a number of risks facing members who receive DC benefits and have taken these into consideration when determining the range of funds to offer to members. The fund range aims to</i></p>	<p>DB Section The Trustee considered both quantitative and qualitative measures periodically throughout the Scheme Year as part of its risk monitoring and management framework. These include quarterly investment performance reports and manager due diligence updates provided by Mercer. Investment and longevity risks the Scheme is subject to were largely hedged by the Trustee transacting full buy-in contracts in November 2022. Residual investment risks in relation to GMP equalisation benefits were broadly hedged by holding an allocation to nominal and index-linked government bonds. Any residual longevity risk associated with these benefits has not been hedged.</p> <p>DC Section The Trustee receives factsheets ahead of meetings for the funds and ad-hoc commentary and advice to assess whether the funds offered to members have met their targets were also covered as part of the triennial investment strategy review presented in October 2023.</p> <p>The list of different risks that members are exposed to, including how they are monitored and managed, is reviewed at least every three years, or as regulatory requirements arise (whichever is sooner), as part of the SIP review. A review of the</p>

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	SIP content requirement	Summary of Trustee's policy / key extracts from SIP	Summary description and evaluation of work undertaken in the year to 5 April 2024
		<p><i>offer members sufficient choice across the risk/return spectrum to allow them to manage the risks they face. The Trustee views these risks as applicable to the default option and the self-select options.</i></p> <p><i>SIP section 7.2 and 7.3</i></p> <p><i>In determining the Default Arrangements, the Trustee has considered financially material risks from a number of perspectives.</i></p> <p><i>DC Default SIP section 5.1</i></p>	<p>SIP was carried out in September 2023. No additional risks were considered during this review.</p> <p>The Scheme maintains a risk register of the key risks, including the investment risks. This rates the impact and likelihood of the risks and summarises existing mitigations and additional actions. The risk register is reviewed and updated on a regular basis. The Trustee last reviewed the Risk Register during the 5 March 2024 meeting and agreed it remained appropriate.</p>
5	Expected return on investments	<p>DB Section</p> <p><i>It would be possible to select "matching" investments whose cashflows replicate the estimated liability cashflows, especially in their sensitivity to inflation and interest rates. The Trustee has considered these issues when determining the investment strategy, and has agreed to take a modest amount of investment risk to target some outperformance against the Scheme's liabilities.</i></p>	<p>DB Section</p> <p>On 23 November 2022 the Trustee transacted full buy-in contracts, and therefore the value of the buy-in assets are expected to move in line with the value of the Scheme's liabilities. The government bond funds held in order to hedge GMP equalisation benefits were expected to move broadly in line with those benefits as a result of changes in interest rate and inflation expectations.</p> <p>DC Section</p> <p>The Scheme's investments are made through pooled investment vehicles. The Trustee cannot specify the risk profile and return targets of the manager, but appropriate mandates can be selected to align with the overall investment strategy.</p>

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		<p><i>SIP section 4</i></p> <p>DC Section <i>In designing the Default Arrangement, the Trustee has considered the trade-off between expected risk and return.</i></p> <p><i>DC SIP section 4.2</i></p> <p>The Trustee has explicitly considered the trade-off between risk and expected returns for the funds offered to members.</p> <p><i>DC Default SIP – section 9</i></p>	<p>Investment performance was reviewed by the Trustee alongside their DC investment adviser, Mercer, periodically at the 31 October 2023 meeting. This included the risk and return characteristics of the default arrangements and additional investment fund choices, comparing fund performance against their stated benchmarks over the short term and long term.</p> <p>The Trustee undertakes an annual Value for Members' assessment, which reviews the long-term performance of the funds (including AVC funds). The last assessment was presented during the 31 October 2023 meeting. The Trustee is satisfied that the majority of funds meet their investment objectives.</p>
6	Realisation of investments	<p>Both Sections <i>The Scheme's investments are made through buy-in contracts, with any residual assets invested in pooled investment vehicles or held in Trustee Bank Accounts. The Trustee accepts that it has no ability to specify the risk profile and return targets of the manager and buy-in provider, but appropriate mandates can be selected</i></p>	<p>DB Section The buy-in contracts are expected to provide DB benefit payments as they fall due. Cash held in the Trustee Bank Account and disinvestments from residual assets have been used to meet post buy-in expenses as they have fallen due.</p> <p>DC Section Member assets are invested in daily dealt and daily priced pooled funds. The pooled funds are commingled investment vehicles, which are managed by BlackRock and Royal London and are accessed via an investment platform provided by Royal London.</p>

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		<p><i>to align with the overall investment strategy.</i></p> <p><i>SIP section 9</i> DB Section <i>the Trustee delegates the day to day management of the assets to its investment manager and buy-in provider The Trustee has taken steps to satisfy itself that the manager and buy-in provider have the appropriate knowledge and experience for managing the Scheme's investments and that they are carrying out their work competently.</i></p> <p><i>IPID section 4</i></p> <p>DC Section <i>The selection, retention and realisation of assets within the pooled funds are delegated to these managers in line with the mandates of the funds.</i></p> <p><i>DC Default SIP – Section 4.2</i></p>	<p>There were no liquidity concerns arising in respect of the Scheme's investment fund holdings over the Scheme year.</p>

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	SIP content requirement	Summary of Trustee's policy / key extracts from SIP	Summary description and evaluation of work undertaken in the year to 5 April 2024
7	Financially material considerations over the appropriate time horizon of the investments, including how those considerations are taken into account in the selection, retention and realisation of investments	<p>Both Sections <i>The Trustee believes that stewardship and ESG issues, including climate change, may have a material impact on investment risk and return outcomes, and that good stewardship can create and preserve value for companies and markets as a whole. The Trustee also recognises that long-term sustainability issues, particularly climate change, present risks and opportunities that increasingly may require explicit consideration.</i></p> <p>SIP section 8</p>	<p>Both Sections The Scheme’s SIP includes the Trustee’s policy on ESG factors, stewardship and climate change. This policy sets out the Trustee’s beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship.</p> <p>DB Section The Scheme’s SIP includes the Trustee’s policy on ESG factors, stewardship and Climate Change. This policy sets out the Trustee’s beliefs on ESG and climate change and the processes followed by the Trustee in relation to voting rights and stewardship. Following the buy-in transactions, the Trustee has delegated the implementation of any policy on ESG factors, stewardship and Climate Change to its buy-in provider.</p> <p>DC Section The Trustee gives consideration to their investment adviser’s ESG ratings and research on the investment strategies underlying pooled investment funds. All managers for which Mercer Research team covers, remained generally highly rated during the year. When implementing a new manager, the Trustee considers the ESG fund rating of the manager.</p> <p>The Trustee is not able to give investment managers discretion as there is no direct contractual relationship between the Trustee and the managers of the underlying funds. However, the Trustee expects the underlying investment managers to evaluate ESG issues via the relationship with Royal London (including climate</p>

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			<p>change considerations) and exercise voting rights and stewardship obligations in accordance with their own corporate governance policies and current best practice, including the UK Corporate Governance Code and UK Stewardship Code.</p> <p>ESG ratings were included as part of the triennial investment strategy review and Value for Members Assessment presented in October 2023.</p> <p>No action was deemed necessary by the Trustee over the Scheme year.</p>
8	The extent (if at all) to which non-financial matters are taken into account in the selection, retention and realisation of investments	<p>Both Sections</p> <p><i>The Trustee does not take into account DB or DC Section members' or beneficiaries' views on "non-financial matters" (such as their ethical views) in the selection, retention or realisation of investments but specific requests from the DC members are taken into account on an ad-hoc basis.</i></p> <p><i>SIP section 8.7</i></p> <p><i>The Trustee does not take into account members' or beneficiary views on "non-financial matters" (such as their ethical views) in the selection, retention or realisation of investments within the Default Arrangements.</i></p>	<p>DC Section</p> <p>No changes have been made to fund choices and the default strategies remain unchanged over the last 12 months.</p> <p>The Trustee does not take into account members' or beneficiary views on "non-financial matters" (such as their ethical views) in the selection, retention or realisation of investments within the Default Arrangements.</p>

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	SIP content requirement	Summary of Trustee's policy / key extracts from SIP	Summary description and evaluation of work undertaken in the year to 5 April 2024
		<i>DC Default SIP – section 7.8</i>	
9	The exercise of the rights (including voting rights) attaching to the investments	<p>All Sections <i>The Trustee accepts that the Scheme’s voting rights are exercised by the investment managers in accordance with their own corporate governance policies and taking account of current best practice including the UK Corporate Governance Code and UK Stewardship Code. The Trustee reviews the managers’ ESG and stewardship policies from time to time.</i></p> <p><i>SIP section 8.3</i></p>	<p>All Sections The Trustee has given the appointed an investment manager and a buy-in provider full discretion in evaluating ESG factors, including climate change considerations, exercising voting rights and stewardship obligations attached to the investments.</p> <p>A voting summary for the DB Section is no longer applicable.</p> <p>DC Section The Trustee has delegated their voting rights to the investment managers. As such, this activity is expected to be undertaken on behalf of the Trustee. The Trustee does not use the direct services of a proxy voter, however, the investment managers may enlist the service of a proxy voter when required. Investment managers are expected to provide voting summary reporting at least annually. More details of voting activity undertaken during the Scheme year can be found in the Appendix. The Trustee had previously agreed to the proposed areas below of focus for the Scheme:</p> <ul style="list-style-type: none"> • Environmental: Climate change, pollution and natural resource degradation • Social: Human rights • Governance: Diversity, Equity and Inclusion (DEI) <p>During the Scheme year, the Trustee had explicit equity exposure through the following funds:</p> <ul style="list-style-type: none"> - RLP – Managed - RLP - BlackRock Aquila Global Blend - RLP – BlackRock Aquila Global Equity Index (50/50)

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			<ul style="list-style-type: none"> - RLP – Sustainable Leaders - Standard Life - International Equity <p>No direct action was taken in relation to challenging managers.</p>
10	Undertaking engagement activities in respect of the investments (including the methods by which, and the circumstances under which, the trustee would monitor and engage with relevant persons about relevant matters)	<p>All Sections <i>The DB Section of the Scheme invests solely in buy-in assets, a liquidity fund plus cash held in respective Trustee Bank Accounts), whilst an index-linked gilt and cash deposit fund are made available through the DC Section. Whilst ESG issues are still relevant to risk control, there is less opportunity to influence investee company behaviour compared to equity holdings, although where relevant, managers are encouraged to use their position as lenders of capital to engage with companies.</i></p> <p><i>SIP section 8.5</i></p>	<p>Both Sections All engagement activity is delegated to the buy-in provider and investment manager. See the Appendix for summary details on the DC Section.</p> <p>DC Section The Trustee has delegated their voting rights to the investment managers.</p> <p>Apart from those exercised by the Scheme's investment managers, no additional engagement activities were undertaken in the year to 5 April 2024.</p>

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	SIP content requirement	Summary of Trustee's policy / key extracts from SIP	Summary description and evaluation of work undertaken in the year to 5 April 2024
11	How the arrangement with the asset manager and buy-in provider incentivises the asset manager to align its investment strategy and decisions with the Trustee's policies	<p>All Sections</p> <p><i>The investment manager are appointed by the Trustee based on their capabilities and, therefore, their perceived likelihood of achieving the expected return and desired risk characteristics.</i></p> <p><i>SIP section 9.1</i></p>	<p>DB Section</p> <p>Over the Scheme Year, the Trustee believes that the appointed buy-in provider, and the investment manager the Trustee has employed to invest the post buy-in residual assets is consistent with its long-term objectives and no changes were made over the Scheme Year.</p> <p>DC Section</p> <p>As the Trustee invests in exclusively pooled investment funds, it accepts that it cannot specify the risk profile and return targets for these funds. However, as part of reviewing the funds' performance as part of monitoring reports, annual Value for Members assessment and the latest triennial investment strategy review the Trustee agreed that funds offered remained fit for purpose.</p> <p>The Trustee discussed the continued appointment of the managers at its meetings and is happy that the contractual arrangements in place continue to incentivise the managers to make decisions based on medium to long-term financial and non-financial performance.</p> <p>Over this period, the Trustee remained satisfied that the contractual arrangement in place with Royal London remained appropriate.</p> <p>No new underlying investment managers were appointed during the year.</p>
12	How the arrangement incentivises the asset manager to	<p>All Sections</p> <p><i>The investment managers are aware that their continued appointment is based on their success in delivering the mandate for which they have been</i></p>	<p>DB Section</p> <p>The investments held within the DB section continued to perform satisfactorily against their respective benchmarks over the Scheme Year. As such, no changes were made to the arrangements. The buy-in provider is responsible for paying benefits as they fall due.</p>

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	SIP content requirement	Summary of Trustee's policy / key extracts from SIP	Summary description and evaluation of work undertaken in the year to 5 April 2024
	make decisions based on assessments about medium to long-term financial and non-financial performance of an issuer of debt or equity and to engage with issuers of debt or equity in order to improve their performance in the medium to long-term.	<p><i>appointed. If the Trustee is dissatisfied, then they will consider replacing the manager.</i></p> <p><i>SIP section 9.1</i></p>	<p>DC Section</p> <p>The majority of the investments held within the DC section outperformed or performed in line against their respective benchmarks and targets over the Scheme year. No changes were made to the arrangements.</p>
13	How the method (and time horizon) of the evaluation of the asset manager's performance	<p>Both Sections</p> <p><i>The Trustee reviews absolute and relative performance against a suitable index used as a benchmark (where relevant), and/or against the manager's stated performance target (over the relevant time period).</i></p>	<p>DB Section</p> <p>The Trustee review the performance of the managers on a regular basis (versus agreed benchmarks and targets where relevant), over multiple time-periods, with an emphasis on the long-term.</p> <p>The investment manager is remunerated by way of a fee, calculated as a percentage of assets under management.</p>

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	and the remuneration for asset management services are in line with the Trustee's policies	<p><i>The Trustee's focus is primarily on long term performance but short term performance is also reviewed.</i></p> <p><i>If a manager is not meeting performance objectives, or their investment objectives for the mandate have changed, the Trustee may initially ask the manager to review their fees instead of terminating the appointment.</i></p> <p><i>SIP section 9.2</i></p>	<p>If the Trustee were not satisfied with the performance of any investment manager, this would be discussed and action would be taken where this was deemed appropriate, which may involve renegotiation of the fee schedule.</p> <p>DC Section The Trustee focusses on performance and risk metrics as part of its monitoring of the pooled funds in which the Scheme invests.</p> <p>The Trustee will retain an investment manager unless there is a strategic change to the overall strategy that no longer requires exposure to that asset class or the manager appointed has been reviewed and the Trustee has decided to terminate the mandate.</p> <p>Performance was reviewed as part of the latest annual Value for Members' Assessment undertaken in August 2024. This assessment considers the current charges, the administration and investment services, as well as online and other communication services. The review concluded that the Scheme overall represents good value for members.</p>
14	How the Trustee monitors portfolio turnover costs incurred by the asset manager, and how they	<p>DB Section <i>The Trustee does not currently actively monitor the portfolio turnover costs within the DB Section. Investment manager performance is generally reported net of transaction costs, and therefore managers are incentivised in this way to keep portfolio turnover</i></p>	<p>DB Section Following the buy-in any residual assets are invested in low risk funds where portfolio turnover is expected to be low. The Trustee does not currently monitor portfolio turnover costs.</p> <p>DC Section The Trustee considered portfolio turnover costs indirectly through consideration of transaction costs data as part of the annual Value for Members Assessment and Chair's Statement.</p>

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	SIP content requirement	Summary of Trustee's policy / key extracts from SIP	Summary description and evaluation of work undertaken in the year to 5 April 2024
	define and monitor targeted portfolio turnover or turnover range.	<p><i>costs to the minimum required to meet or exceed their objectives.</i></p> <p>DC Section <i>The Trustee monitors portfolio trading costs and turnover costs for the DC and AVC arrangements on an annual basis as part of its annual value for members assessment.</i></p> <p><i>SIP section 9.3</i></p>	<p>The Trustee notes the challenges in assessing transaction costs due to the lack of an industry-wide benchmarks for transaction costs. Also, there is currently no agreed framework for assessing transaction costs as part of the value for money assessment, just requirements on the information shown in the Chair's Statement. In the context of the asset classes invested in, the funds' objectives and net investment performance, the Trustee is comfortable with the level of transaction costs incurred by the Scheme's funds over the Scheme Year.</p> <p>Though the Trustee does not currently define target portfolio turnover ranges for funds, it will engage with the managers if the portfolio turnover is found to be higher than expected following the monitoring undertaken.</p>
15	The duration of the arrangement with the asset manager / buy-in provider	<p>Both Section <i>For open-ended funds, the Trustee will retain an investment manager unless:</i></p> <ul style="list-style-type: none"> • <i>There is a strategic change to the overall strategy that no longer requires exposure to that asset class or manager.</i> • <i>The manager appointment has been reviewed and the Trustee is no longer comfortable that the manager can deliver the mandate.</i> <p><i>SIP section 9.4</i></p>	<p>DB Section The buy-in assets are expected to pay benefits as they fall due for the lifetime of Scheme members for the member benefits that have been insured by the buy-ins.</p> <p>DC Section No changes were made to the arrangements with the investment managers over the Scheme Year.</p> <p>The Trustee is a long term investor, all funds are open-ended and therefore there is no set duration for manager appointments.</p>

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APPENDIX - Voting Activity

Voting activity information from each of the underlying investment managers (where provided) over the prior 12 months to 5 April 2024 is summarised in the table below.

The Trustee has delegated their voting rights to Royal London and BlackRock in their capacity as managers of the Scheme's DC voting assets (equities).

Following the DWP's requirements, which came into force on 1 October 2019, the Trustee reviewed the SIP setting out how they take account of financially material considerations, including ESG considerations, and explicitly climate change. In addition, in line with the requirements, the SIP also includes the approach to the stewardship of the investments and how the Trustee take account (if at all) of member views on 'non-financial matters'.

The Trustee delegates any voting rights attached to the Scheme's DB investments to LGIM. In practice, this has little current relevance as the Scheme's DB section does not invest in equity, and the Trustee is not aware of any equity exposure during the year arising from convertible bonds or bonds with equity-like or equity conversion features.

New guidance from the Department of Work and Pensions (DWP) came into effect for schemes with a reporting period on or after 1 October 2022. This guidance requires specific details around why the Trustee consider votes to be significant, the size of the holdings and next steps on developing well-informed and precise objectives for engagement. The Trustee has requested key voting activities from their managers during the period under assessment to reflect this new guidance. In particular, focus has been given on the stewardship priorities that the Trustee believes constitutes a "significant" vote.

The Trustee agreed to the proposed areas below of focus for the Scheme:

- **Environmental:** Climate change and Pollution & natural resource degradation
- **Social:** Human rights
- **Governance:** Diversity, Equity and Inclusion (DEI)

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Investment managers are expected to provide voting summary reporting on a regular basis, at least annually. The Trustee may look to enhance their reporting on voting activity by reviewing an annual voting and engagement report, which will be produced by the Trustee’s investment consultant.

Guidance from the Department of Work and Pensions (DWP) requires specific details around why the Trustee consider votes to be significant, the size of the holdings and next steps on developing well-informed and precise objectives for engagement. The Trustee has requested key voting activities from their managers during the period under assessment to reflect this new guidance. In particular, focus has been given on the stewardship priorities that the Trustee believes constitutes a “significant” vote. Further details and the information received is summarised in the voting section that follows.

It is the Trustee’s view that the policy has been followed during the Scheme year. The majority of voting activity will arise in public equity funds. However, voting opportunities may arise in other asset classes such as certain bonds, property, private equity and multi-asset funds. The Trustee has only received information relating to public equity funds this year.

BlackRock’s proxy voting process is led by the BlackRock Investment Stewardship team (BIS), which consists of three regional teams – Americas (“AMRS”), Asia-Pacific (“APAC”), and Europe, Middle East and Africa (“EMEA”) - located in seven offices around the world. The analysts with each team will generally determine how to vote at the meetings of the companies they cover. Voting decisions are made by members of the BlackRock Investment Stewardship team with input from investment colleagues as required, in each case, in accordance with BlackRock’s Global Principles and custom market-specific voting guidelines.

The Responsible Investment team is responsible for executing equity proxy votes on behalf of RLAM according to RLAM Standard Operating Procedures. RLAM use Glass Lewis’ Viewpoint as their voting platform. All ballots are sent to Viewpoint by RLAM custodians or RLAM’s clients’ custodians. For each agenda item, Glass Lewis applies RLAM’s custom voting template which suggests a voting recommendation that reflects RLAM’s high level Voting Policies and best practice standards. The RI team then conducts its own review of every vote, considering any unique circumstances facing the company, any engagement RLAM have undertaken with the board, and any discussions with the fund managers. The vote is then approved by a member of the RI team prior to being dispatched.

Voting results, sourced from Royal London and BlackRock, covering the year to 5 April 2024 are shown below. Percentages may not sum to 100% due to rounding.

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Fund	How many resolutions were you eligible to vote on?	What % of resolutions did you vote on for which you were eligible?	Of the resolutions on which you voted, what % did you vote with management?	Of the resolutions on which you voted, what % did you vote against management?	Of the resolutions on which you voted, what % did you abstain from voting?
<i>RLP BlackRock Aquila World ex-UK Equity*</i>	24,856	97.7	94.0	5.6	0.4
<i>RLP BlackRock Aquila UK Equity*</i>	14,654	96.7	96.3	2.7	1.1
RLP – BlackRock Aquila Global Equity (50/50)	36,348	97.9	94.9	4.4	0.7
RLP Managed	39,097	100.0	81.7	15.2	3.1**
RLP Sustainable Leaders	887	100.0	93.2	5.6	1.1

Source: BlackRock as at 31 March 2024 and RLAM as at 31 March 2024.

Figures might not sum to 100% due to rounding. Abstain votes are considered as part of the votes against management by the managers.

* RLP – BlackRock Aquila Global Bend is a blend of the World (ex-UK) and UK Equity funds and we do not have access to voting statistics for the blended fund on a stand-alone basis. We have therefore provided the statistics for both the underlying funds.

** Figure includes category of “Take no Action votes”, where a conscious decision has been made not to vote. Royal London may elect not to vote where share blocking is in place or in the event of international sanctions. These proposals are still considered as “voted”.

Examples of Most Significant Votes

The Trustee has reviewed voting records from the managers in each of the priorities listed above. The information in this section has been provided directly by the investment managers. The managers have provided detailed information on their voting. The Trustee has considered this information and disclosed the votes that it seems to be most significant. A “significant vote” is defined as one that is linked to the Scheme’s

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stewardship priorities/themes. These priorities/areas of focus are set out above. The Trustee has weighted this analysis towards the funds from companies that have the largest holdings within those funds (i.e. significant holdings) with more than 2% where possible. For the two Royal London funds (Sustainable Leaders and Managed), there were no significant votes provided above 2%.

Fund	Company	Date of vote	% of fund	Engagement Priority	Proposal	How the manager voted and the rationale for the voting decision	Outcome of the vote
RLP BlackRock World ex-UK Equity	Amazon.com, Inc.	24/05/2023	2.91	Environmental (Climate Change)	Report on Efforts to Reduce Plastic Use	Against: The company already provides sufficient disclosure and/or reporting regarding this issue or is already enhancing its relevant disclosures.	Fail
RLP BlackRock UK Equity	Shell Plc	23/05/2023	8.25*	Environmental (Climate Change)	Approve the Shell Energy Transition Progress	For: BlackRock supported this management proposal in recognition of the delivery to date against the company's Energy Transition Strategy. Shell continues to provide a clear assessment of their plans to manage climate-related risks and opportunities and has demonstrated continued delivery against their Energy Transition Strategy.	Passed
RLP – BlackRock Global Equity (50/50)	Shell Plc	23/05/2023	3.77*	Environmental (Climate Change)	Request Shell to Align its Existing 2030 Reduction Target Covering the Greenhouse Gas (GHG) Emissions of the Use of its Energy Products (Scope 3) with the Goal of the Paris Climate Agreement	Against: BlackRock did not support this shareholder proposal because it was overly prescriptive and unduly constraining on management's decision making. In the assessment of their Energy Transition Strategy, the company is addressing the risks and opportunities in their business model stemming from a low carbon transition and has demonstrated that they are delivering against their stated plan.	Fail
RLP Sustainable Leaders	Microsoft Corp.	07/12/2023	1.80	Social (Human Rights)	Report on Siting in Countries of Significant Human Rights Concern	Abstain: While RLAM appreciate and back the aims of the proponent in this instance, they believe that the company already provides extensive disclosure and board level oversight of this	Fail

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Fund	Company	Date of vote	% of fund	Engagement Priority	Proposal	How the manager voted and the rationale for the voting decision	Outcome of the vote
						issue monitoring and engaging with the countries in which it operates and locates data centres.	
RLP Managed	Westpac Banking Corp	14/12/2023	<0.10	Environmental (Climate Change)	Climate Change Position Statement and Action Plan	<p>Against: RLAM is supportive of Westpac’s sector specific decarbonisation targets and their efforts to support clients transition their businesses to a low carbon economy. However, RLAM note that sector specific targets only cover 45% of the company’s financed emissions. Other areas of improvement we wish to see include disclosure of how just transition is integrated, and a statement confirming that offsetting is not encouraged for corporate clients unless for residual emissions. For these reasons, RLAM are unable to support the plan at this time.</p>	Passed

Source: BlackRock as at 31 March 2024 and RLAM as at 31 March 2024.

* Asset allocation as at 30 June 2024

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Examples of Engagement Activity by the Scheme's Equity Investment Managers

The following are examples of engagement activity undertaken by some of the Scheme's equity investment managers.

Fund	Number of engagements undertaken at a firm level in the year	Split between E, S and G of engagements	% of engagements pertaining to climate issues	% of engagements pertaining to Board Diversity
RLP BlackRock Aquila World ex-UK Equity	1,429 company engagements	E = 39%; S = 43%; G = 93%	Climate Risk Management: 35%; Environmental Impact Management: 0%; Land Use/Deforestation: 1%; Water and Waste: 4%	Board Composition & Effectiveness: 46%; Board Gender Diversity: 8%
RLP BlackRock Aquila UK Equity	795 company engagements	E = 37%; S = 36%; G = 93%	Climate Risk Management: 35%; Environmental Impact Management: 0%; Land Use/Deforestation: 1%; Water and Waste: 4%	Board Composition & Effectiveness: 43%; Board Gender Diversity: 8%
RLP – BlackRock Aquila Global Equity (50/50)	1,855 company engagements	E = 38%; S = 42%; G = 93%	Climate Risk Management: 35%; Environmental Impact Management: 0%; Land Use/Deforestation: 1%; Water and Waste: 4%	Board Composition & Effectiveness: 45%; Board Gender Diversity: 9%

Source: BlackRock as at 31 March 2024.