

## **SYFER TECHNOLOGY PENSION PLAN**

### **ENGAGEMENT POLICY IMPLEMENTATION STATEMENT For the year ended 5 April 2024**

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#### **Introduction**

The Trustees of the Syfer Technology Pension Plan (the 'Plan') have a fiduciary duty to consider their approach to the stewardship of the investments, to maximise financial returns for the benefit of members and beneficiaries over the long term. The Trustees can promote an investment's long-term success through monitoring, engagement and/or voting, either directly or through their investment managers.

This statement sets out how, and the extent to which, in the opinion of the Trustees, the policies (set out in the Statement of Investment Principles) on the exercise of rights (including voting rights) attaching to the investments, and engagement activities have been followed during the year ending 5 April 2024.

This statement also describes the voting behaviour by, or on behalf of, the Trustees including the most significant votes cast during the year, and whether a proxy voter has been used.

The Trustees, in conjunction with their investment consultant, appoint their investment managers and choose the specific pooled funds to use in order to meet specific policies. They expect that their investment managers make decisions based on assessments about the financial performance of underlying investments (including environmental, social and governance (ESG) factors, and that they engage with issuers of debt or equity to improve their performance (and thereby the Plan's performance) over an appropriate time horizon.

The Trustees also expect their investment managers to take non-financial matters into account as long as the decision does not involve a risk of significant detriment to members' financial interests.

#### **Stewardship - monitoring and engagement**

The Trustees recognise that investment managers' ability to influence the companies in which they invest will depend on the nature of the investment.

The Trustees acknowledge that the concept of stewardship may be less applicable to some of their assets, particularly for short-term money market instruments, gilt and liability-driven investments. As such the Plan's investments in these asset classes are not covered by this engagement policy implementation statement.

The Trustees' policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers and to encourage the managers to exercise those rights. The investment managers are expected to provide regular reports for the Trustees detailing their voting activity.

The Trustees also delegate responsibility for engaging and monitoring investee companies to the investment managers and expects the investment managers to use their discretion to maximise financial returns for members and others over the long term.

The Trustees seek to appoint managers that have strong stewardship policies and processes and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

Details of the signatory status of each investment manager is shown below:

<b>Investment manager</b>	<b>UN PRI Signatory</b>	<b>UK Stewardship Code Signatory</b>
	Yes/No	Yes/ No
Legal & General Investment Management	Yes	Yes
Partners Group	Yes	Yes
Insight Investments	Yes	Yes
M&G Investments	Yes	Yes

## SYFER TECHNOLOGY PENSION PLAN

### ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (continued) For the year ended 5 April 2024

#### Stewardship - monitoring and engagement (continued)

The Trustees review each investment manager prior to appointment and monitor them on an ongoing basis through the regular review of the manager's voting and engagement policies.

#### Investment manager engagement policies

The Plan's investment managers are expected to have developed and publicly disclosed an engagement policy. This policy, amongst other things, provides the Trustees with information on how the investment managers engage in dialogue with the companies they invest in and how they exercise voting rights. They also provide details on the investment approach taken by the investment managers when considering relevant factors of the investee companies, such as strategy, financial and non-financial performance and risk, and applicable social, environmental and corporate governance aspects.

Links to each investment manager's engagement policy or suitable alternative is provided in the Appendix.

These policies are publicly available on each investment manager's websites.

The latest available information provided by the investment managers (with mandates that contain public equities or bonds) is as follows:

Engagement	LGIM UK Equity Index	LGIM World (ex-UK) Equity Index and LGIM World (ex-UK) Equity Index - GBP Hdgd	LGIM Active Corporate Bonds - Over 10 Year
Period	01/04/2023-31/03/2024	01/04/2023-31/03/2024	01/04/2023-31/03/2024
Engagement definition	Purposeful, targeted communication with an entity (e.g. company, government, industry body, regulator) on particular matters of concern with the goal of encouraging change at an individual issuer and/or the goal of addressing a market-wide or system risk (such as climate). Regular communication to gain information as part of ongoing research should not be counted as engagement.		
Number of companies engaged with over the year	191	378	24
Number of engagements over the year	313	561	68

#### Exercising rights and responsibilities

The Trustees recognise that different investment managers should not be expected to exercise stewardship in an identical way, or to the same intensity.

The investment managers are expected to disclose annually a general description of their voting behaviour, an explanation of the most significant votes cast and report on the use of proxy voting advisers.

The investment managers publish online the overall voting records of the firm on a regular basis.

The investment managers use proxy advisers for the purposes of providing research, advice or voting recommendations that relate to the exercise of voting rights.

The Trustees have been provided with details of what each investment manager considers to be the most significant votes. The Trustees have not influenced the manager's definitions of significant votes, but have reviewed these and are satisfied that they are all reasonable and appropriate.

## SYFER TECHNOLOGY PENSION PLAN

### ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (continued) For the year ended 5 April 2024

#### Exercising rights and responsibilities (continued)

The Trustees do not carry out a detailed review of the votes cast by or on behalf of their investment managers but rely on the requirement for their investment managers to provide a high-level analysis of their voting behaviour.

The Trustees consider the proportion of votes cast, and the proportion of votes against management to be an important (but not the only) consideration of investor behaviour.

The latest available information provided by the investment managers (for mandates that contain public equities) is as follows:

<b>Voting behaviour</b>	<b>LGIM UK Equity Index</b>	<b>LGIM World (ex-UK) Equity Index and LGIM World (ex-UK) Equity Index - GBP Hdgd</b>
Period	01/04/2023-31/03/2024	01/04/2023-31/03/2024
Number of meetings eligible to vote at	709	2,867
Number of resolutions eligible to vote on	10,462	34,635
Proportion of votes cast	100%	100%
Proportion of votes for management	94%	78%
Proportion of votes against management	6%	22%
Proportion of resolutions abstained from voting on	0%	0%

#### Trustees' assessment

The Trustees have, in their opinion, followed the Plan's voting and engagement policies during the year, by continuing to delegate to each investment manager, the exercise of rights and engagement activities in relation to investments, as well as seeking to appoint managers that have strong stewardship policies and processes.

The Trustees have undertaken a review of each investment manager's engagement policy including their policies in relation to financially material considerations.

The Trustees may also consider reports provided by other external ratings providers.

Where an investment manager has received a relatively low rating from the investment consultant or from other external rating providers, the Trustees may consider whether to engage with the investment manager.

The Trustees have reviewed the investment managers' policies relating to engagement and voting and how they have been implemented and have found them to be acceptable at the current time.

The Trustees recognise that engagement and voting policies, practices and reporting, will continue to evolve over time and are supportive of their investment managers being signatories to the United Nations' Principles for Responsible Investment and the Financial Reporting Council's UK Stewardship Code 2020.

## SYFER TECHNOLOGY PENSION PLAN

### ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (continued) For the year ended 5 April 2024

#### Appendix

Links to the engagement policies for each of the investment managers can be found here:

Investment manager	Engagement policy (or suitable alternative)
Legal & General Investment Management	<a href="https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-engagement-policy.pdf">https://www.lgim.com/landg-assets/lgim/document-library/capabilities/lgim-engagement-policy.pdf</a>
Partners Group	<a href="https://www.partnersgroup.com/~media/Files/P/Partnersgroup/Universal/about-us/our-impact/responsible-investment/sustainability-report-2023.pdf">https://www.partnersgroup.com/~media/Files/P/Partnersgroup/Universal/about-us/our-impact/responsible-investment/sustainability-report-2023.pdf</a>
Insight Investments	<a href="https://www.insightinvestment.com/globalassets/documents/responsible-investment/stewardship-code/uk-eu-responsible-stewardship-at-insight-2024-report.pdf">https://www.insightinvestment.com/globalassets/documents/responsible-investment/stewardship-code/uk-eu-responsible-stewardship-at-insight-2024-report.pdf</a>
M&G Investments	<a href="https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments-policies/mg-investments-engagement-policy-may-2022.pdf">https://www.mandg.com/~media/Files/M/MandG-Plc/documents/mandg-investments-policies/mg-investments-engagement-policy-may-2022.pdf</a>

Information on the most significant votes for each of the funds containing public equities as at 31 March 2024 (latest available) is shown below:

LGIM UK Equity Index	Vote 1	Vote 2	Vote 3
Company name	Shell Plc	BP Plc	Glencore Plc
Date of Vote	2023-05-23	2023-04-27	2023-05-26
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	7.0	3.8	2.4
Summary of the resolution	Resolution 25 - Approve the Shell Energy Transition Progress	Resolution 4 - Re-elect Helge Lund as Director	Resolution 19: Shareholder resolution "Resolution in Respect of the Next Climate Action Transition Plan"
How the fund manager voted	Against (against management recommendation)	Against (against management recommendation)	For (against Management Recommendation)
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website the day after the company meeting, with a rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.		Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote

**SYFER TECHNOLOGY PENSION PLAN**

**ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (continued)**  
**For the year ended 5 April 2024**

<p>Rationale for the voting decision</p>	<p>Climate change: A vote against is applied, though not without reservations. LGIM acknowledges the substantial progress made by the company in meeting its 2021 climate commitments and welcome the company's leadership in pursuing low carbon products. However, LGIM remains concerned by the lack of disclosure surrounding future oil and gas production plans and targets associated with the upstream and downstream operations; both of these are key areas to demonstrate alignment with the 1.5C trajectory</p>	<p>Governance: A vote against is applied due to governance and board accountability concerns. Given the revision of the company's oil production targets, shareholders expect to be given the opportunity to vote on the company's amended climate transition strategy at the 2023 AGM. Additionally, LGIM notes concerns around the governance processes leading to the decision to implement such amendments.</p>	<p>In 2021, Glencore made a public commitment to align its targets and ambition with the goals of the Paris Agreement. However, it remains unclear how the company's planned thermal coal production aligns with global demand for thermal coal under a 1.5°C scenario. Therefore, LGIM has co-filed this shareholder proposal (alongside Ethos Foundation) at Glencore's 2023 AGM, calling for disclosure on how the company's thermal coal production plans and capital allocation decisions are aligned with the Paris objectives. This proposal was filed as an organic escalation following our multi-year discussions with the company since 2016 on its approach to the energy transition.</p>
<p>Outcome of the vote</p>	<p>80% (Pass)</p>	<p>N/A</p>	<p>29% (Fail)</p>
<p>Implications of the outcome</p>	<p>LGIM continues to undertake extensive engagement with Shell on its climate transition plans.</p>	<p>LGIM will continue to engage with the company and monitor progress.</p>	<p>LGIM will continue to engage with the company and monitor progress.</p>

**SYFER TECHNOLOGY PENSION PLAN**

**ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (continued)**  
**For the year ended 5 April 2024**

Criteria on which the vote is assessed to be "most significant"	Thematic - Climate: LGIM is publicly supportive of so called "Say on Climate" votes. LGIM expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5C scenario. Given the high-profile of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.	High Profile Meeting and Engagement: LGIM considers this vote to be significant given our long-standing engagement with the company on the issue of climate.	Pre-declaration and Engagement: LGIM considers this vote to be significant as LGIM co-filed this shareholder resolution as an escalation of our engagement activity, targeting some of the world's largest companies on their strategic management of climate change.
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LGIM World (ex-UK) Equity Index and LGIM World (ex-UK) Equity Index - GBP Hedged	Vote 1	Vote 2	Vote 3
Company name	Microsoft Corporation	Apple Inc.	Amazon.com, Inc.
Date of Vote	2023-12-07	2024-02-28	2023-05-24
Approximate size of LGIM World (ex-UK) Equity Index fund's holding as at the date of the vote (as % of portfolio)	4.4	4.1	1.6
Summary of the resolution	Resolution 1.06 - Elect Director Satya Nadella	Report on Risks of Omitting Viewpoint and Ideological Diversity from EEO Policy	Resolution 13 – Report on Median and Adjusted Gender/Racial Pay Gaps
How the fund manager voted	Against (With Management Recommendation)	Against (With Management Recommendation)	For (Against Management Recommendation)
Where the fund manager voted against management, did they communicate their intent to the company ahead of the vote	LGIM publicly communicates its vote instructions on its website with the rationale for all votes against management. It is our policy not to engage with our investee companies in the three weeks prior to an AGM as our engagement is not limited to shareholder meeting topics.		LGIM pre-declared its vote intention for this meeting on the LGIM Blog. As part of this process, a communication was set to the company ahead of the meeting.

**SYFER TECHNOLOGY PENSION PLAN**

**ENGAGEMENT POLICY IMPLEMENTATION STATEMENT (continued)**  
**For the year ended 5 April 2024**

Rationale for the voting decision	Joint Chair/CEO: A vote against is applied as LGIM expects companies to separate the roles of Chair and CEO due to risk management and oversight concerns.	Shareholder Resolution - Environmental and Social: A vote AGAINST this proposal is warranted, as the company appears to be providing shareholders with sufficient disclosure around its diversity and inclusion efforts and nondiscrimination policies, and including viewpoint and ideology in EEO policies does not appear to be a standard industry practice.	A vote in favour is applied as LGIM expects companies to disclose meaningful information on its gender pay gap and the initiatives it is applying to close any stated gap. This is an important disclosure so that investors can assess the progress of the company’s diversity and inclusion initiatives. Board diversity is an engagement and voting issue, as LGIM believes cognitive diversity in business – the bringing together of people of different ages, experiences, genders, ethnicities, sexual orientations, and social and economic backgrounds – is a crucial step towards building a better company, economy and society.
Outcome of the vote	N/A	Fail	29% (Fail)
Implications of the outcome	LGIM will continue to engage with our investee companies, publicly advocate our position on this issue and monitor company and market-level progress.		LGIM will continue to engage with the company and monitor progress.
Criteria on which the vote is assessed to be “most significant”	Thematic - Board Leadership: LGIM considers this vote to be significant as it is in application of an escalation of our vote policy on the topic of the combination of the board chair and CEO.	Thematic - Diversity: LGIM views diversity as a financially material issue for our clients, with implications for the assets LGIM manages on their behalf.	Pre-declaration and Thematic – Diversity: LGIM views gender diversity as a financially material issue for our clients, with implications for the assets LGIM manages on their behalf.