

HC Slingsby Pension Scheme

Implementation Statement

Year ending 31 December 2025

1. Introduction

The Trustees are required to make publicly available online a statement (“the Implementation Statement”) covering the HC Slingsby Pension Scheme (the “Scheme”) in relation to the Scheme’s Statement of Investment Principles (the “SIP”).

The Trustees have incorporated their expectations on stewardship and Environmental, Social, and Corporate Governance (ESG) into the SIP to ensure that it outlines the extent to which these factors are incorporated into the Scheme’s investment philosophy and processes.

There is no specific ethical steer and the Trustees do not wish to adopt an exclusionary policy. However, the Trustees do require their Investment Managers to have integrated ESG factors as part of their investment analysis and decision-making process.

The current SIP came into force from January 2025. A signed and dated copy can be found here: <https://www.slingsby.com/corporate-information>

The Trustees retained the services of Dean Wetton Advisory Ltd (“DWA”) to act as Investment Advisers and LGT Wealth Management UK LLP (“LGT”) as Delegated Investment Manager throughout the scheme year, following their appointment in July 2024.

This Statement covers the Scheme year from 1 January 2025 to 31 December 2025 (the “Scheme Year”). It sets out:

- How the Trustees’ policies on exercising voting rights and engagement have been followed over the Scheme Year; and
- The voting by or on behalf of the Trustees during the Scheme Year, including the most significant votes cast and any use of a proxy voter during the Scheme Year.

2. How the Trustees’ policies on exercising voting rights and engagements have been followed over the Scheme Year

The Scheme’s SIP sets out the Trustees’ policies in relation to stewardship, corporate governance and Environmental, Social and Governance (ESG) factors.

The Trustees are ultimately responsible for the investment of the Scheme assets.

The Trustees set the investment strategy and general investment policy with advice from DWA but have delegated the day-to-day investment of the Scheme’s assets, within pre-defined constraints to the delegated investment manager, LGT.

LGT can invest directly in assets with voting rights attached as well as pooled investment funds with third-party Underlying Investment Managers where the Scheme’s investments are pooled with other investors.

Traditionally, stewardship and proxy voting for pooled funds have operated through a centralised approach, where the Underlying Investment Managers make voting and engagement decisions on behalf of all clients based on standardised policies.

However, in December 2024, LGT introduced pass-through voting to allow it to directly reflect its client views on stewardship within a range of passive pooled-fund investments in client portfolios.

A copy of the SIP has been provided to the Delegated Investment Manager and the Delegated Investment Manager is expected to adopt that approach to corporate governance and to other financially material considerations when providing Delegated Investment Management services and/or in selecting Underlying Investment Managers.

The Trustees require that the Delegated Investment Manager considers stewardship activity including voting and engagement, and Environmental, Social and Governance (ESG) factors including climate change when choosing new or monitoring existing Underlying Investment Managers.

The Trustees believe it is appropriate to delegate such decisions to achieve an integrated and joined up approach to ESG factors, voting and engagement. The Trustees have therefore not sought to influence voting behaviours and do not intend to change their position currently.

The Delegated Investment Manager provides the Trustees with an annual report of its overall Stewardship activities, and the Trustees are satisfied with the Delegated Investment Manager's activity in this area.

Following activity during the Scheme Year and by preparing this Implementation Statement, the Trustees believe that they have acted in accordance with the Statement of Investment Principles over the Scheme Year.

3. Voting and Engagement Policy

LGT can appoint underlying asset managers to achieve an overall target return under the Trustees' Delegated Investment mandate. The Trustees delegate the monitoring of ESG integration and stewardship quality to LGT and LGT have confirmed that all the appointed asset managers are at least aware of potential ESG risks in the investment strategy and have taken some steps to identify, evaluate and potentially mitigate these risks.

As part of its fund selection process, LGT monitors the Underlying Investment Managers on a routine basis. The process requires annual reporting through its due diligence questionnaire. This covers general environmental, social and governance (ESG) activities, climate pledges, approaches to biodiversity, human rights, diversity and inclusion, as well as distinct impact metrics.

The results and progress seen by companies in these areas helps LGT to formulate its expectations and where it can work with third party managers to improve their approach.

4. Voting and Engagement Summary

Overall, the Trustees are of the opinion that the stewardship carried out on behalf of the Scheme is in line with the Scheme's expectations and policies.

Hedging portfolio

In relation to the liability hedging mandate, the Trustees noted that the choice of counterparty (both in terms of the counterparties chosen to be part of the available roster and the choice of which counterparty of these to use when entering into derivative transactions) is driven by a number of factors including credit ratings which take into account ESG factors, and ESG scores for counterparties are regularly monitored.

Growth portfolio

LGT Wealth Management systematically votes on equity holdings held in client portfolios and has partnered with one of the world's leading proxy advisor companies Institutional Shareholder Services (ISS) to deliver on this.

LGT's relationship with ISS enables it to conduct voting on all approved companies held in discretionary investment portfolios across LGT Wealth Management.

To implement pass-through voting on pooled funds held with an Underlying Investment Manager, LGT collaborates with Legal & General, State Street Global Advisors and fintech Tumelo, which enables pass-through voting via its ProxySphere technology.

LGT subscribes to ISS' Sustainability Policy, ensuring that each vote highlights the importance of the sustainable agenda with the respective company.

Whilst ISS provides LGT with voting recommendations, LGT does not always cast its vote in line with this – for example if it holds a different view or sees a potentially negative outcome. All voting decisions are reviewed by the relevant LGT investment committee responsible for the underlying holding.

Any decision that deviates from LGT's approved Global Voting Guidelines must be referred to its Global Stewardship Committee for review and approval.

LGT voting statistics (applicable to the scheme's reporting period)

How many meetings were you eligible to vote at?	203
How many resolutions were you eligible to vote on?	3,000
What % of resolutions did you vote on for which you were eligible?	100%
Of the resolutions on which you voted, what % did you vote with management?	93.4%*
Of the resolutions on which you voted, what % did you vote against management?	6.2%*
Of the resolutions on which you voted, what % did you abstain from voting?	0.5%*
In what % of meetings, for which you did vote, did you vote at least once against management?	34%
Which proxy advisory services does your firm use, and do you use their standard voting policy or created your own bespoke policy which they then implemented on your behalf?	LGT has partnered with proxy advisor ISS and LGT subscribes to ISS' Sustainable Policy. Please see Section 4 (Growth Portfolio) for more details.
What % of resolutions, on which you did vote, did you vote contrary to the recommendation of your proxy adviser? (if applicable)	1.5%

** Figures may not total 100% due to a variety of reasons, such as lack of management recommendation, scenarios where an agenda has been split voted, multiple ballots for the same meeting were voted differing ways, or a vote of 'Abstain' is also considered a vote against management.*

Most significant votes carried out by LGT

Company name	Date of Vote (MM/DD/YYYY)	Summary of the resolution	How LGT voted	Rationale for the voting decision	Outcome of the vote
Amazon.com	21/05/2025	Report on Efforts to Reduce Plastic Use.	For	LGT believes the company should provide detailed information on the amount of plastic used throughout the supply chain and set clear goals for reducing it.	Not approved
Amazon.com	21/05/2025	Commission a Third-Party Audit on Working Conditions	For	LGT sought to address ongoing concerns about employee safety, high injury rates, and the impact of Amazon's performance metrics.	Not approved
Amazon.com	21/05/2025	Report on Impact of Data Centres on Climate Commitments	For	Given the significant increase in energy demand from AI and data centres and Amazon's plans to expand data-centre operations, LGT is concerned about the company's ability to deliver on its long-term climate goals.	Not approved
Alphabet	06/06/2025	Approve Recapitalization Plan for One-Share, One-Vote	For	LGT believes recapitalization would strengthen board accountability and better align shareholder interests.	Not approved
Alphabet	06/06/2025	Report on Risks of Improper Use of External Data in AI Development	For	In LGT's view the regulatory and reputational risks stemming from data-handling practices can be significant.	Not approved
Alphabet	06/06/2025	Adopt Metrics Evaluating YouTube Child Safety Policies	For	LGT believes that enhanced transparency would help investors assess material regulatory, legal, and reputational risks.	Not approved
Shell	20/05/2025	Disclosure on LNG Strategy and Climate Alignment	For	LGT believes that the requested metrics will help shareholders better understand how climate-related risks and Paris-aligned commitments are integrated into Shell's financial planning and long-term business strategy.	Not approved
Apple	25/02/2025	Abolish DEI Policies, Programmes, and Goals	Against	LGT believes Apple's existing DEI policies support an inclusive culture, help attract and retain diverse talent, and positively contribute to long-term business performance.	Not approved
NextEra	22/05/2025	Re-election of Director - Amy Lane, Chair of the Climate Oversight Committee	Against	LGT voted against the re-election due to the company's failure to align with investor expectations on Net Zero by 2050.	Approved

Rio Tinto	01/05/2025	Review of dual-listed structure	Against	Rio Tinto had completed a comprehensive review of the dual-listed model in 2024, supported by external experts. Given its findings, LGT did not support the proposal.	Not approved

The Trustees are satisfied that the voting and engagement activity undertaken by the Delegated Investment Manager are in line with the Trustees' policies contained in the SIP and that no changes are required to these policies at this time. The Trustees will keep the position under review.