

## Appendix 1

### Implementation Statement

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#### Annual Implementation Statement – for scheme year ending 31 March 2024

##### Introduction

This document is the Annual Implementation Statement ("the statement") prepared by the Trustee of the Flint Ink (UK) Pension Scheme (the "Scheme") covering the scheme year to 31 March 2024.

The purpose of this statement is to:

- set out the extent to which, in the opinion of the Trustee, the engagement policy under the Scheme's Statement of Investment Principles ("SIP") has been followed during the year.
- describe the voting behaviour by, or on behalf of, the Trustee over the year.

This implementation statement forms part of the Trustee's annual report and accounts for the year to 31 March 2024. This annual report, including the implementation statement will be made available on our website - <https://flintinkukpensionscheme.pensions-directory.co.uk>.

##### Trustee's voting and engagement policy

In line with the Trustee's Statement of Investment Principles, the Trustee has delegated all day-to-day investment decisions to the Scheme's investment manager – Legal & General Investment Management ("LGIM"). The Scheme's assets (excluding AVCs) are currently invested in the LGIM over 5 year index-linked gilt index fund and the LGIM Sterling Liquidity Fund. Over the period relevant to this statement, they have also invested in the LGIM Diversified Growth Fund.

The extent to which social, environmental or ethical issues are taken into account is left to the discretion of the investment manager. This policy is in place due to the nature of the pooled funds in which the Trustee may invest. The Scheme's investment manager is signed up to the UK FRC Stewardship Code. The Trustee's policy is to delegate responsibility for the exercising of rights (including voting rights) attaching to investments to the investment managers.

LGIM have established a fully integrated framework for responsible investing to strengthen long-term returns and raise market standards. An integral part of this involves engagement with companies in a number of ways, including regular catch-ups, analysis of responsible investment themes, and media reporting.

LGIMs voting and engagement activities are driven by ESG professionals and their assessment of the requirements in these areas seeks to achieve the best outcome for their clients. Their voting policies are reviewed annually and take into account feedback from their clients. This feedback is collected via regular meetings, annual investor round table events and ad-hoc comments and enquiries.

The Trustee is satisfied that the manager is engaging with investee companies in a suitable manner, aligned with the Scheme's investment objectives.

## Implementation Statement (continued)

### Summary of voting over the year to 31 March 2024

The Scheme's equity investments were managed by LGIM via a pooled fund. Given the nature of the mandate, LGIM are limited in terms of the equities they hold in the portfolio, but the Trustee believes they have a strong engagement process. The pooled equity investments held by the Scheme were disinvested in September 2023 and so voting information covers the period from 1 April 2023 to 29 September 2023.

A summary of the voting on behalf of the Scheme over 1 April 2023 to 29 September 2023 (the point the Scheme disinvested from the Diversified Growth Fund) is provided in the table below:

Fund	Number of votes eligible	% of votes exercised	% of votes with management	% of votes against management	% abstained
Legal & General Diversified Fund	73,539	99.81%	76.58%	23.30%	0.12%

Voting information on the Scheme's bond funds is not provided since the vast majority of loan and debt securities do not come with voting rights.

### Significant votes

The table below demonstrates the most significant votes cast on behalf of the Plan over 1 April 2023 to 29 September 2023:

Fund	Most significant votes cast
Legal & General Diversified Fund	<p>LGIM determined one thousand, eight hundred and seventeen votes over the period to be "most significant" due to a range of criteria which included:</p> <ul style="list-style-type: none"> <li>the significance of remuneration and executive compensation packages</li> <li>the impact of company behaviour on climate change</li> <li>the election of new directors</li> <li>the consideration of inclusion and diversity on the board</li> </ul> <p>LGIM abstained from voting in 3 of the votes over the period, against management's recommendation.</p> <p>In 166 of the 1817 significant votes, LGIM voted with management for all or most of the resolutions proposed and these related to:</p> <ul style="list-style-type: none"> <li>Approving Climate-Related Financial Disclosures</li> <li>Electing Directors</li> <li>Approving remuneration policies</li> <li>Reports on gender and racial pay gaps</li> <li>Approving Net Zero transition reports</li> <li>Approving Spin-Off Agreement</li> </ul>

All voting data provided in this statement was produced by LGIM. Data relates to all votes cast in the period to 29 September 2023 by LGIM in line with their Corporate Governance and Responsible Investment Policy. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy voting provider votes in accordance with their position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. These instructions apply to all markets globally and seek to uphold what we consider are minimum best practice standards which LGIM believe all companies globally should observe, irrespective of local regulation or practice.

## Implementation Statement (continued)

### **Statement of Investment Principles**

A review of the Statement of Investment Principles was undertaken in September 2023 to prepare the Scheme for the transition to invest in insurance policies that match the liabilities. This involved disinvesting from the LGIM Diversified Growth Fund and investing into the LGIM Over 5-year index-linked fund. The SIP was reviewed again in January 2024 following completion of the purchase of an insurance policy to cover the Scheme's liabilities. The updated SIP supersedes the previous SIP dated August 2022 and reflects the new investment strategy of investing in liability-matching assets.

The latest Statement of Investment Principles is dated January 2024.

In the Trustee's opinion, the Statement of Investment Principles has been followed during the year to 31 March 2024 in relation to voting and engagement.

The Trustee of the Flint Ink (UK) Pension Scheme

July 2024

