Engagement Policy Implementation Statement ("EPIS")

The Hackwood Final Salary Pension Plan (the "Plan")

Plan Year End – 31 December 2024

The purpose of the EPIS is for the Trustees of the Hackwood Final Salary Pension Plan to explain the actions taken during the year ending 31 December 2024 to achieve certain policies and objectives set out in the Statement of Investment Principles ("SIP"). It includes:

1. How our policies in the SIP about asset stewardship (including both voting and engagement activity) in relation to the Plan's investments have been followed during the year; and

2. How we have exercised our voting rights or how these rights have been exercised on our behalf, including the use of any proxy voting advisory services, and the 'most significant' votes cast over the reporting year.

Our conclusion

Based on the activity we have undertaken during the year, we believe that the policies set out in the SIP have been implemented effectively.

In June 2024, we secured an annuity policy with the Pension Insurance Corporation Plc ("PIC"). Hence, the majority of the Plan's assets are invested in PIC as an annuity policy. There are some residual holdings (c.£7m as at Plan year-end) which are invested with LGIM in the form of money market instruments.

This EPIS does not disclose stewardship information on investments in cash due to the limited materiality of stewardship of these asset classes.

How voting and engagement policies have been followed

The majority of the assets are invested in the annuity policy underwritten by PIC (the Insurer). The Plan's remaining assets are invested in LGIM's Sterling Liquidity Fund. We acknowledge the limited materiality of stewardship for the residual assets that remain invested with LGIM.

Further this report does not include the additional voluntary contributions ("AVCs") due to the relatively small proportion of the Plan's assets that are held as AVCs.

The Plan's stewardship policy can be found in the SIP: https://www.linklaters.com/en/legal-notices/the-hackwood-final-salary-pension-plan-statement-of-investment-principles

Our Engagement Action Plan

The responsibility for managing arrangements with underlying investment managers lies with the Insurer. This responsibility may include ensuring that arrangements with appointed asset managers are aligned to achieving the long-term objectives of the Insurer; as well as having appropriate performance, costs (including turnover costs), and remuneration monitoring with respect to the appointed asset managers. In addition, we expect that the Insurer uses its influence and purchasing power (where possible) to ensure that Environmental, Social, and corporate Governance ("ESG") factors, including climate change, are appropriately considered by underlying investment managers and financial counterparties.

We have limited ability to incentivise the Insurer to align its investment strategy and decisions with our policies in relation to stewardship, corporate governance, and responsible investment. However, given the nature of the buy-in policies, such as the annuity purchased by the Plan, we believe that the Insurer is appropriately incentivised to make decisions relating to the medium and long-term financial and non-financial factors which may influence performance.

We recognise our responsibilities as a steward of investment capital; however, in endeavouring to invest in the best financial interests of the beneficiaries, we elected to purchase the annuity and recognise that we cannot, therefore, directly influence the ESG integration nor stewardship policies and practices of the Insurer.

Should we be provided with any opportunity which we deem appropriate to incentivise our managers and the Insurer concerning these areas, we will consider this and take reasonable steps. We were unaware of any such opportunity during the Plan year in scope.

What is stewardship?

Stewardship is investors using their influence over current or potential investees/issuers, policy makers, service providers and other stakeholders to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

This includes prioritising which Environmental Social Governance ("ESG") issues to focus on, engaging with investees/issuers, and exercising voting rights.

Differing ownership structures means stewardship practices often differ between asset classes.

Source: UN PRI