Implementation Statement

Mannesmann UK Pension Scheme

Purpose of this statement

This implementation statement has been produced by the Trustees of the **Mannesmann UK Pension Scheme (“the Scheme”)** to set out the following information over the year to **31 March 2025:**

- how the Trustees’ policies on exercising rights (including voting rights) and engagement activities have been followed over the year;
- the voting activity undertaken by the Scheme’s investment managers on behalf of the Trustees over the year, including information regarding the most significant votes;

This statement does not include the additional voluntary contributions (“AVCs”) due to the relatively small proportion of the Scheme’s assets that are held as AVCs.

Conclusions

In reviewing the activities of the past year, the Trustees believe that the policies set out in the Statement of Investment Principles (“SIP”) have been effectively implemented. A significant proportion of the Scheme’s investment managers have demonstrated transparency in their voting and engagement activities.

Based on the information received, the Trustees believe that the investment managers have acted in accordance with the Scheme’s policies on exercising rights (including voting rights) and engagement activities. The Trustees are supportive of the key voting action taken by the applicable investment managers over the period to encourage positive governance changes in the companies in which the investment managers hold shares.

Stewardship policy

The Trustees decided not to set stewardship priorities for the Scheme given the expected short investment time horizon. Furthermore, the Scheme solely invests through pooled investment vehicles where the Scheme's assets only represent a small proportion of the capital invested in the funds. The Trustees understand that they are constrained by the policies of the managers. Additionally, as at 31 March 2025 only 16.2% (£6.1m) of the Scheme assets were invested in assets with voting rights attached.

The Trustees' Statement of Investment Principles (SIP) in force at 31 March 2025 describes the Trustees' stewardship policy on the exercise of rights (including voting rights) and engagement activities. It was last reviewed in February 2024 and has been made available online here:

Statement of Investment Principles (mannesmannpensions.co.uk)

How voting and engagement/stewardship policies have been followed

Based on the information provided by the Scheme's investment managers, the Trustees believe that their policies on voting and engagement have been met in the following ways:

- The Scheme invests entirely in pooled funds, and as such delegates responsibility for carrying out voting and engagement activities to the Scheme's investment managers.
- The Trustees, with input from their investment consultant, annually receive and review (through their Implementation Statement) the voting information and engagement policies of their investment managers, to ensure alignment with the Trustees' own policies. The findings of the Trustees' review are reported in this Implementation Statement which will also be included in the Scheme's Annual Report and Accounts for the year to 31 March 2025.
- Having reviewed the data presented below and in accordance with their policies, the Trustees are comfortable that the actions of the investment managers are in alignment with the Scheme's stewardship policies.

Prepared by the Trustees of the Mannesmann UK Pension Scheme
July 2025

Voting Data

The Scheme invests entirely in pooled funds through the Legal & General Investment Management ("LGIM") Investment Platform and therefore the Scheme's investment managers, Schroders Investment Management ("Schroders") and LGIM, vote on behalf of the Scheme's holdings in the pooled funds.

Voting is not applicable to the Scheme's bond holdings (i.e. the LGIM corporate bond and gilt funds, the LGIM Sterling Liquidity Fund and the LGIM Matching Core LDI funds) as these funds invest only in fixed income assets, which have no voting rights. The Schroders Diversified Growth Fund invests across a diverse range of asset classes and are therefore included below as the equity holdings carry voting rights.

Manager	LGIM	Schroders
Fund name	LGIM All World Equity Index Fund - GBP Hedged	Schroders Diversified Growth Fund
Structure	Pooled	
Ability to influence voting behaviour of the manager	The pooled fund structure means that there is limited scope for the Trustees to influence the manager's voting behaviour.	
No. of eligible meetings	6,611	1,297
No. of eligible votes	63,689	16,606
% of resolutions voted	99.8%	96.4%
% of resolutions voted with management, as a percentage of the total number of resolutions voted on.	79.5%	89.4%
% of resolutions voted against management, as a percentage of the total number of resolutions voted on.	19.0%	10.5%
% of resolutions abstained, as a percentage of the total number of resolutions voted on.*	1.5%	0.1%
Proxy voting advisor employed	Institutional Shareholder Services' ("ISS")	Glass Lewis ("GL")
% of resolutions voted against proxy voter recommendation	10.4%	9.4%

**Where the manager made an active decision to abstain in order to vote against management.*

Totals may not sum due to rounding.

Proxy voting

The below summarises how the investment managers utilise their proxy voting services.

LGIM

LGIM's Investment Stewardship team use Institutional Shareholder Services' ("ISS") electronic voting platform to electronically vote on clients' shares. All voting decisions are made by LGIM and they do not outsource any part of the strategic decisions. To ensure their proxy provider votes in accordance with LGIM's position on ESG, LGIM have put in place a custom voting policy with specific voting instructions. LGIM review their custom voting policy with ISS annually and take into account feedback from their investors.

Schroders

Glass Lewis ("GL") acts as Schroders' one service provider for the processing of all proxy votes in all markets. GL delivers vote processing through its Internet-based platform Viewpoint. Schroders receives recommendations from GL in line with Schroders' own bespoke guidelines. In addition, they receive GL's benchmark research. This is complemented with analysis by Schroders' in-house ESG specialists and where appropriate with reference to financial analysts and portfolio managers.

GL automatically votes for all of Schroders' holdings where they own less than 0.5% of voting rights, excluding merger, acquisition and shareholder resolutions. This ensures consistency in their voting decisions as well as creating a more formalised approach to their voting process.

Significant votes

At this time, as detailed above, the Trustees have not set stewardship priorities for the Scheme. For this Implementation Statement, the Trustees have asked the investment managers to determine what they believe to be a "significant vote". The Trustees have not communicated voting preferences to their investment managers over the period, as the Trustees have not developed a specific voting policy.

LGIM and Schroders have provided a selection of votes that they believe to be significant. In the absence of agreed stewardship priorities, the Trustees have selected three votes from each manager that cover a range of themes, representing what they consider the most significant votes cast on behalf of the Scheme. To represent the most significant votes, the votes of the largest holdings relating to each topic have been selected and are shown below. As Schroders does not provide the size of holdings, the selected votes have instead been chosen to demonstrate a range of topics.

LGIM All World Equity Index Fund – GBP Hedged

	Vote 1	Vote 2	Vote 3
Company name	Microsoft Corporation	Amazon.com, Inc.	Shell Plc
Date of vote	10 December 2024	22 May 2024	21 May 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	3.9%	2.2%	0.3%
Summary of the resolution	Report on AI Data Sourcing Accountability	Report on Customer Due Diligence	Approve the Shell Energy Transition Strategy
How the manager voted	For	For	Against
Rationale for the voting decision	LGIM believe a vote for this resolution is warranted as the company is facing increased legal and reputational risks related to copyright infringement associated with its data sourcing practices. LGIM believe that shareholders would benefit from greater attention to the risks related to how the company uses third-party information to train its large language models.	LGIM voted in favour of the resolution as they believe enhanced transparency over material risks to human rights is key to understanding the company's functions and organisation. LGIM believe there remains a need for increased, especially publicly available, transparency on this topic.	In light of the revisions made to the Net Carbon Intensity targets, coupled with the ambition to grow its gas and Liquefied Natural Gas business this decade, LGIM expect the company to better demonstrate how these plans are consistent with an orderly transition to net-zero emissions by 2050.
Criteria on which the vote is considered "significant"	This shareholder resolution is considered significant due to the relatively high level of support received.	This shareholder resolution is considered significant as it is one of the largest companies and employers, not only within its sector but in the world. LGIM believe that Amazon's approach to human capital management issues has the potential to drive improvements across both its industry and supply chain.	LGIM is publicly supportive of so called "Say on Climate" votes. They expect transition plans put forward by companies to be both ambitious and credibly aligned to a 1.5°C scenario. Given the high-profile nature of such votes, LGIM deem such votes to be significant, particularly when LGIM votes against the transition plan.
Outcome of the vote	Fail	Fail	Pass
Implications of the outcome	LGIM will continue to engage with their investee companies, publicly advocate their position on this issue and monitor company and market-level progress.		
If the vote was against management, did the manager 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 their policy not to engage with their investee companies in the three weeks prior to an AGM as their engagement is not limited to shareholder meeting topics.		

Schroder Diversified Growth Fund

	Vote 1	Vote 2	Vote 3
Company name	Walt Disney Company	Lennar Corporation	Bank of America Corporation
Date of vote	3 April 2024	10 April 2024	24 April 2024
Approximate size of fund's holding as at the date of the vote (as % of portfolio)	Data not provided*		
Summary of the resolution	Shareholder Proposal Regarding Report on Political Expenditures and Values Congruency	Shareholder Proposal Regarding Report on LGBTQ Equity and Inclusion Efforts	Shareholder Proposal Regarding Clean Energy Supply Financing Ratio
How the manager voted	For	For	For
Rationale for the voting decision	Schroders believe support for this proposal is warranted as shareholders would benefit from having a more comprehensive understanding of how the company's political contribution spending and nonprofit organisation participation aligns to the company's values, and how the company manages risks related to its political expenditures.	Schroders believe shareholders would benefit from more disclosure around how the company's human capital and diversity & inclusion strategies are ensuring inclusivity of the LGBTQ community in its workforce.	Schroders believe that shareholders would benefit from annual disclosure of the bank's total financing, through equity and debt underwriting, as well as project finance, in both low-carbon and fossil-fuel energy supply. This would help shareholders better assess the bank's progress towards its climate commitments and understand any associated risks
Criteria on which the vote is considered "significant"	Schroders believe that all resolutions where they vote against the board's recommendations should be classified as a significant vote.		
Outcome of the vote	Fail	Fail	Fail
Implications of the outcome	Schroders have not provided the implications of the outcome of the votes on an individual level. However, Schroders have confirmed they monitor voting outcomes particularly if they are large shareholders or if they have an active engagement on the issue. If Schroders think that the company is not sufficiently responsive to a vote or their other engagement work, they may escalate their concerns by starting, continuing or intensifying an engagement. As part of this activity Schroders may also vote against other resolutions at future shareholder meetings, such as voting against the election of targeted directors.		
If the vote was against management, did the manager communicate their intent to the company ahead of the vote?	Schroders may tell the company of their intention to vote against the recommendations of the board before voting, in particular if they are large shareholders or if they have an active engagement on the issue. Schroders always inform companies after voting against any of the board's recommendations.		

**Similar to last year, Schroders were unable to provide this information. The Trustee, through its investment consultant, has fed this back to Schroders to seek clarification on the missing data and to improve on this where possible.*

Engagement

The investment managers may engage with investee companies on behalf of the Trustees. The table below provides a summary of the engagement activities undertaken by each manager during the year for the relevant funds.

Engagement activities are limited for the Scheme's LDI and cash funds due to the nature of the underlying holdings, so engagement information for these assets have not been shown.

	Schroders	**LGIM**			
Fund name	Schroder Diversified Growth Fund*	All World Equity Index – GBP hedged	Buy and Maintain Credit Fund	AAA-AA-A Corporate Bond Over 15 Year Index Fund	Investment Grade Corporate Bond Over 15 Year Index Fund
Number of engagements undertaken on behalf of the holdings in this fund in the year	1,550	2,242	331	57	97
Number of entities engaged with on behalf of the holdings in this fund in the year	373	1,475	182	21	42
Number of engagements undertaken at a firm level in the year	4,713	4,459			

Source: information provided by the investment managers.
**Schroder only reports on engagement annually. As such, the data shown is provided to 31 December 2024.*

Examples of engagement activity undertaken over the year to 31 March 2025

LGIM

The key engagement topics at a firm level over the year to 31 March 2025 included:

- Climate change
- Deforestation
- Remuneration
- Climate mitigation
- Strategy
- Human rights
- Diversity

One example of LGIM's engagement regards climate disclosures in Japan. LGIM engaged with Nippon Steel, the largest steel maker in Japan, concerning their disclosures of climate-related and decarbonisation-related policy positions.

Given the highly carbon intensive nature of the steelmaking industry, Nippon Steel's role as one of the largest global steelmakers and the significant role Nippon Steel has in influencing Japanese policy, LGIM have engaged repeatedly with Nippon Steel to encourage further climate policy disclosures. Despite previous engagements, LGIM remained unsatisfied with the disclosures provided so far and as such filed a shareholder resolution that would require Nippon Steel to "Disclose annually, climate-related and decarbonisation-related policy positions and lobbying activities globally".

Although the shareholder resolution did not pass, it achieved nearly 28% support, one of the highest levels of support recorded for a climate-related shareholder resolution in Japan, demonstrating to the company that investors expect greater transparency on climate-related engagement activity.

Schroders

Meta

In May 2024, Schroders attended Meta's annual general meeting and queried how Meta measures the concentration of harm amongst users and disclosure of key metrics split by geography. Schroders did not receive a response at the time. In November 2024, Schroders participated in another group call with the company's human rights experts, company secretary, and the investor relations team. Topics discussed on the call included conflicts between human rights policies and business objectives, crisis protocols in at-risk countries, links between compensation and human rights, targeted advertising, and responsible use of AI.

Schroders highlighted that they appreciate the company's willingness to engage and look forward to further progress on content moderation, disclosure, board independence, and alignment to shareholder expectations. Schroders continue to hold Meta stocks. Schroders look forward to monitoring what Meta as well as other companies in the sector do in relation to the responsible use of AI.